

## Weekend



**Flight of the Wasp**  
*Both in the US and and Britain, to be white and Anglo-Saxon is to be on the defensive'*

Page I

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**Action on Mars**  
*Nasa planners say it would be feasible to send people to Mars some time between 2010 and 2020'*

Page II

# FT

FINANCIAL TIMES

AUGUST 16 / AUGUST 17 1997

## Weekend



**On Wall Street's fringe**

*'It is clear that Doug Henwood likes the idea of being thought of as scumbag'*



**The king of games**

*'Is chess more of a challenge than backgammon? Does bridge require more brain power than poker?'*

Page III

Page IV

Interest rate fears add to pressure as world investors take profits

## Shares tumble on dollar fall

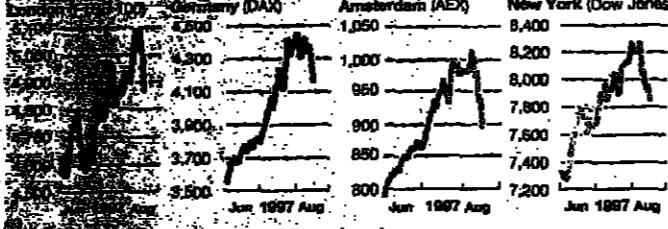
By Philip Coggan, Markets Editor, in London

International stock markets fell sharply yesterday as a decline in the dollar combined with interest rate fears to persuade investors to take profits in thin summer markets.

The fall in the dollar against the D-Mark rippled through the markets, causing further weakness in US Treasury bonds, which were around a quarter of a point lower shortly before the close in New York yesterday.

Weaker bonds combined with earnings downgrades at one of the market's favourite growth stocks, Gillette, to send the Dow Jones Industrial Average sharply lower. The Dow was down more

**World markets wobble**



than 110 points at around 7,800 in New York trading. European stock markets also turned tail at the weaker dollar, which fell nearly three pennies to DM1.512 in London yesterday. The US currency's strength has been one of the factors helping

Day, the pressure fell heavily on Amsterdam, which dropped 4 per cent, and Frankfurt, which fell 2.8 per cent.

Adding to the worries in international markets were signs that currency speculators had turned their attention to the Hong Kong dollar, after forcing many Asian currencies to devalue in recent months. The Hong Kong stock market dropped 2.4 per cent yesterday.

All this weighed on the London stock market, with a big fall in HSBC, one of the market's biggest constituents. The FTSE 100 shed 125 or 2.5 per cent, in its biggest points fall in one day since the crash of 1987 and its largest percentage drop in five years. The big fear for investors

is that the global bull market, which has this summer carried the Dow past 8,000 and the FTSE 100 past 5,000, might be over. The Dow's sharp early fall yesterday followed a decline of 150 points on August 8 and another 101 points on Tuesday.

Mr Chris Carter, managing director of global equity strategy at UBS, said: "It's been a correction waiting to happen. Nowadays this is the way that markets move. There is an instant repricing in which not much selling occurs but everyone wakes up to the overpricing."

**Market in two minds, Letters, Page 6; Bonds, Page 8; Currencies, Page 9; World stocks, Page 21; Lex, Page 23**

## Protest killings mar Indian celebrations

By Mark Nicholson in New Delhi

A spate of attacks by separatist groups in India's troubled north-eastern states left at least six people dead yesterday to mar the celebrations of the country's 50th anniversary of independence.

Four government officials were shot in separate attacks in Assam, while two women were murdered in the neighbouring state of Tripura, all apparently by tribal militant groups.

The killings, designed to protest against what north-eastern rebel groups call "colonial" Indian rule over their states, followed bombings and arson attacks in Assam earlier this week after separatist tribal groups united to warn against any golden jubilee celebrations.

The attacks represent a sharp rise in violence in the north-eastern states. After the troubled state of Jammu & Kashmir, they are the most violent and heavily

policied in the union. India's remote and mountainous "seven sisters" north-eastern states contain at least six well-armed and organised guerrilla separatist groups fighting for homeland claims which date back to independence. Thousands have died in attacks over the past five decades.

In his radio address to the nation yesterday Mr LK Gujrati, prime minister, warned that India would make "no compromise" with "terrorist groups" in the country - code for Kashmiri and north-eastern separatists - not brook any interference in its internal affairs from neighbours.

Earlier this week in Pakistan, also celebrating its golden jubilee, at least two people were killed when police opened fire on a crowd outside the mausoleum of the country's founding father, Mohammad Ali Jinnah.

Sombre celebrations, Page 4



Flying the flag: crowds waving flags and flaming torches throng Bombay streets yesterday to celebrate 50 years of independence from British rule

Picture: Reuters

## Elvis lives but locals harbour grave doubts

By John Authers in Memphis, Tennessee

To the strains of Richard Strauss, Elvis Presley returned to the heart of downtown Memphis this week, to be greeted by thousands of adoring followers from around the world.

A sterling example is Lukka Ammon, the Finnish Elvis. He recorded the first Latin language Elvis album three years ago, and was in Memphis this week to sing such memorable numbers as "Nunc hic aut numquam" ("It's Now Or Never"), and "Tenere me amu" ("Love Me Tender").

A personal favourite was Mexican El Vez (otherwise known as Robert Lopez). He appeared live last Sunday at the Overton Park Shell, where the young Elvis gave his first ever concert in 1954.

"Elvis lives" roared Jim Rout, mayor of Shelby County, to a roar of approval from the crowd, followed by uncontrollable tears from many. He had already taken a show of hands, which showed that most of the faithful were from Europe, with some from Japan and Australia, and scarcely any from Tennessee.

Elvis' resurrection, exactly 20 years after his death, has continued all week in Memphis. It reaches its climax today, the exact anniversary, with a "live" concert at which Elvis will appear in person, with the aid of video technology.

Locals plainly cannot understand it and most are actively hostile to the international throngs. They like Elvis, and many recount the story of how he would go to car showrooms, and buy Cadillacs for anyone who happened to be admiring one at the time.

But there is deep distaste for the seeming reluctance to accept that Elvis is dead. Moves to sell the grave where the singer was first buried before being moved to his mansion Graceland have become a minor local scandal.

However, not all the Elvis

lovers in Memphis this week are locked in the past. Some Elvis "impersonators" use the star as a starting point for gloriously imaginative work of their own.

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News General

## Group near to dam deal

A consortium of Siemens and Voith of Germany, and General Electric of the US, was near to winning a large share of an \$800m contract to supply equipment for the world's biggest hydroelectric project - the Three Gorges dam in China. It is planned to produce about a tenth of the country's domestic electricity requirements. Page 2

**Yeltsin attacks privatisation minister** Russian president Boris Yeltsin has attacked his ousted privatisation minister for holding certain commercial banks "closer to his soul" than others. His comments were a thinly veiled blow against Onerbank, which triumphed in the privatisations of Sviazinvest, a telecoms company, and Norilsk Nickel, a leading nickel producer. Page 2

**Arafat faces new pressure** Palestinian Authority president Yasir Arafat is facing another problem as he continues his next moves in the standoff with Israel. He faces a deadline from the Palestinian parliament to dissolve his cabinet after reports of financial mismanagement and corruption. Page 3

**Yamazuchi executed to death** Koichiro Yamazuchi, 57, a top executive at Yamazuchi, Japan's fourth largest securities house which is involved in a scandal over links with corporate racketeers, has been murdered in a parking lot in Tokyo. Page 4

**Legal moves intensify on rig protest** The legal battle accompanying the confrontation at sea between Greenpeace and British Petroleum is expected to intensify after sheriff's officers served an injunction on the protesters' vessel ordering them to end interference with a mobile drilling platform off Scotland. Page 5

Toiling Taiwanese confront leisure

Some business leaders fear introduction of a five-day work week will reduce national economic competitiveness, but others are rushing to diversify into leisure industries.

Page 4

News Business

## Bank in \$500m deal

Spain's Santander banking group has completed an ambitious acquisition spree in Latin America with a \$500m deal to take control of the Brazilian bank Banco Noroeste. The purchase is one of the biggest forays by a foreign bank in Brazil following HSBC's \$1bn takeover of the troubled Bamerindus group at the end of March, and marks a further step in the rapid consolidation of the Brazilian banking industry. Banco Santander has invested some \$8bn over the last two years to build a significant presence in retail and investment banking in the main Latin American markets. Page 24

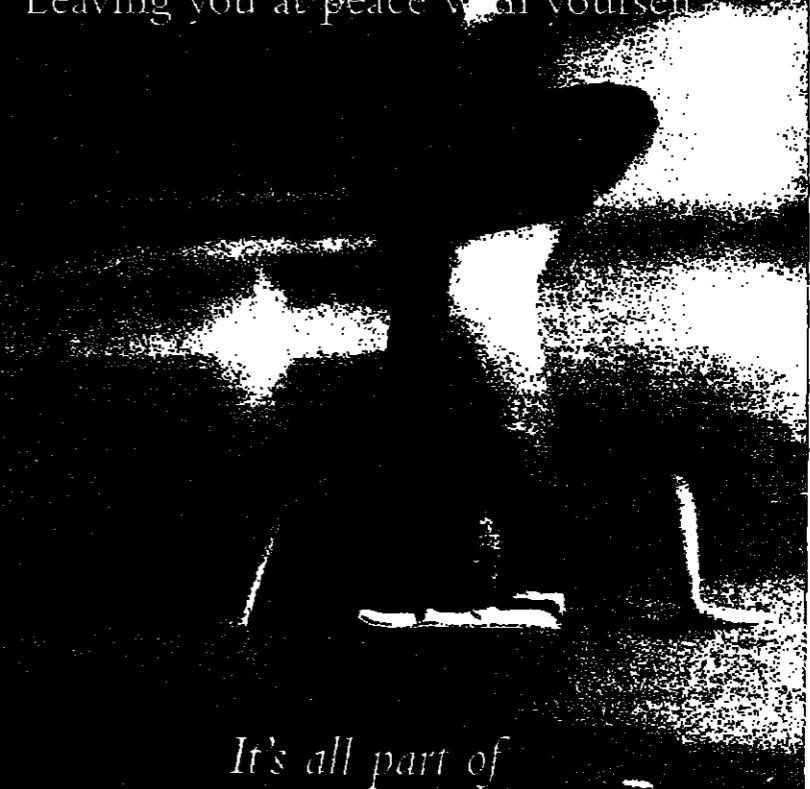
**Break-up canvassed in fight to run WH Smith** A plan to break up UK retailer WH Smith which would see the sale of Waterstone's book chain, Our Price Records and the eponymous newspaper and stationery business is being canvassed by a director of the group as part of the battle for the vacant chief executive's post. Analysts believe a break-up of the group, which has seen its share price slump in the past year on the back of disappointing trading, could raise over £1.5bn (\$2.4bn), almost \$500m more than the current market capitalisation. Page 22

**CalEnergy hosts bid for NYSEG falls** CalEnergy, the US power group, abandoned its hostile takeover bid for one of New York's leading power utilities after failing to win the support of investors. The generator said it had failed to secure tenders on the 6.5m shares needed to take a target stake in New York State Electric & Gas (NYSEG). Mr David Sokol, chairman and chief executive of CalEnergy, said it would pursue other opportunities. Page 23

**Ssangyong trim losses** Ssangyong Motor, South Korea's fourth-largest carmaker, reported net losses down to Won84.2bn (\$71.7m) during the first half from Won88.7bn a year ago. Domestic sales fell 4 per cent because of sluggish demand for its commercial trucks and buses, while exports - mainly of four-wheel-drive vehicles - grew by 19 per cent. Analysts said losses declined as Ssangyong approached the end of large capital investments associated with the production of its first passenger car model. Page 23

**Airlines face Schiphol slots shake-up** Airlines may be forced to reschedule services to Amsterdam after the Dutch government signalled its intention to regulate traffic at the city's Schiphol airport on noise grounds. Such a move over Schiphol, which has runway capacity to spare, would set a European Union precedent in imposing a restrictive system on environmental grounds alone. Page 2

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# Airlines face Schiphol slots shake-up

By Gordon Cramb  
in Amsterdam

Airlines may be forced to reschedule services to Amsterdam from as early as next month, after the Dutch government signalled its intention to regulate traffic at the city's Schiphol airport on noise grounds.

Schiphol said yesterday that Mrs Annemarie Jorritsma, transport minister, was to seek clearance from Brussels to declare it a "co-

ordinated airport" - like London Heathrow and Frankfurt - with landing slots apportioned by an independent administrator. Carriers would have to surrender some of their present scheduled timings and be allocated others.

Such a move would set a European Union precedent in imposing a restrictive system on environmental grounds alone. The British and German hubs each suffer shortages of runway

space, while Schiphol has capacity to spare.

The airport, the EU's fourth largest and second only to Heathrow in cargo handling, was yesterday told by a Haarlem court to rescind a ban imposed this month on night flights by older wide-body jets, such as the DC-10 and Boeing 747s predating the 400 series.

Schiphol had also refused to accept new flights between 11pm and 6am no matter what the type of air-

craft, as part of an attempt to meet noise restrictions which came into force at the beginning of the year. With

traffic up more than 7 per cent in the first six months, and testing troubles in interpreting the noise "contours" laid down to protect local residents, it was already running up against its year's decibel quota.

The court upheld an injunction sought by Atan, an association grouping cargo operators, and by air-

lines including Martinair, the Dutch charter carrier, and Israel's El Al. It said only Mrs Jorritsma had the power to impose restrictions of that nature.

"All parties agree that the most effective and obvious instrument to regulate air traffic noise in compliance with the demarcated noise zones consists of awarding Schiphol the status of fully co-ordinated airport," the ruling added.

But the ministry, saying

the law gave Schiphol clear responsibility for the problem, left open the possibility that it might appeal against the judgment.

A coalition of Dutch environmental groups said they would take Mrs Jorritsma to court unless the noise limits were met this year: "The ruling should be no excuse to stop enforcing the legal boundaries for noise. A substantial breach of the noise limits is being threatened, by day as well as at night."

## INTERNATIONAL NEWS DIGEST

### Russian general warns on cuts

General Pyotr Deneinik, Russia's air force chief, warned yesterday that plans to lay-off nearly 200,000 of his officers and men could spark "social upheavals" unless the government provided sufficient compensation. Gen Deneinik said that 160,000 men, out of a current complement of 340,000 air force and air defence troops, were slated to be sacked as part of a far-reaching military reform which aims to cut the Russian war machine in half over the next two years. But the general cautioned that the radical project could turn sour if the laid-off men were not offered enough state support.

"The demobilisation of 160,000 officers and men will involve social upheavals if the government fails to provide for their material well-being," Gen Deneinik said. Russia's top officers have said the cash-strapped military is on the verge of revolt. *Chrystia Freeland, Moscow*

#### ■ GEORGIA AND ABKHAZIA

### Leaders renounce use of force

Leaders of Georgia and the secessionist republic of Abkhazia yesterday signed a joint declaration promising neither side would use force to solve the dispute between them. The signature took place five years and a day after the start of the Abkhaz war in 1992. Both Mr Eduard Shevardnadze and Mr Vladimir Ardzinba, Abkhaz leader, praised Russia's role in initiating the meeting. Russian foreign minister Yevgeny Primakov took part in the talks.

"Russia could have arranged this meeting any time in the past three years - but they just didn't want to," said Mr Georgy Khutishvili, from the Institute of Conflicts and Negotiations in Tbilisi. "Russia has noticed increased western interest in the region and doesn't want to lose out or lose influence." *Selina Williams, Tbilisi*

#### ■ SWEDISH UNEMPLOYMENT

### July figure at four-year high

Swedish unemployment rose to a four-year high of 9.1 per cent in July, according to figures released yesterday by the state statistics bureau. The percentage of people out of work rose from 8.8 per cent in June, and from 8.8 per cent one year ago. Adjusted for seasonal shifts, unemployment declined by 0.1 per cent between May and July.

The figures, which do not include a further 3 per cent of the workforce on state-funded training and employment schemes, offered little comfort to Prime Minister Goran Persson's minority Social Democratic government. The administration, facing a general election in September next year, has repeatedly pledged to cut unemployment to 4 per cent by 2000. *Greg Mcbor, Stockholm*

#### ■ JAPAN AND NORTH KOREA

### Talks on diplomatic ties soon

Japan and North Korea will hold talks next week aimed at normalising diplomatic ties for the first time. The talks, in Beijing, come after five years of acrimonious bilateral disputes, fuelled by Tokyo's fear that North Korea could pose a military threat to Japan. The talks are expected to touch on the issue of food aid to North Korea and a long running row over kidnapping allegations by Japan.

The two countries have never had normal diplomatic relations, since Japan colonised the Korean peninsula between 1910 and 1945 and then later supported the US during the 1950-53 Korean war. *Gillian Tett, Tokyo*

#### ■ TAIWAN

### GDP grows by 6.34%

Taiwan's gross domestic product grew a higher-than-expected 6.34 per cent year-on-year in the second quarter, Taiwan's government statistics agency said yesterday. Although the figure was down from the first-quarter's 6.83 per cent, it was up sharply from earlier forecasts, prompting officials to declare that the economy had recovered from last year's slump.

The agency attributed the second quarter GDP rise to reduced impact from a swine epidemic and a strong stock market performance. The stock market rose 13 per cent in the second quarter. *Laura Tyson, Taipei*

#### ■ ANGOLA

### UN troops may stay

Mr Kofi Annan, United Nations secretary-general, last night proposed to delay the withdrawal of UN peacekeepers in Angola because of the "precarious situation". Hoping that, given more time, the government and Unita would still be able to complete the peace process, he said in a report to the Security Council that 2,650 troops should stay in place until the end of October. Representatives of the US, Russia and Portugal were expected to meet on Monday to review the situation. *Michael Littlejohns, New York*

#### ■ MEXICAN BUDGET

### Surplus falls by a third

Mexico's budget surplus fell by a third during the first six months of the year, despite the country's economic recovery. The country's public finances have become the subject of unprecedented political debate, with newly powerful opposition parties pressing for tax cuts and a more relaxed fiscal policy.

In the run-up to July congressional elections, government spending for the first six months of the year went up to 315bn pesos (\$40bn), 8.5 per cent more than the first half of 1996. Public sector income rose by 4.5 per cent, led by tax revenues which shot up in line with greater economic activity. *Daniel Domínguez, Mexico City*

# Talks on Cyprus unity break down

By John Barham in Ankara

Talks on reunifying Cyprus broke down yesterday after Mr Rauf Denktash, Turkish Cypriot leader, accused his Greek Cypriot adversary and the European Union of ignoring the rights of his minority community.

Mr Denktash and Mr Glafcos Clerides, president of the internationally recognised Greek Cypriot government, met for five days in Glion, a village overlooking Lake Geneva, amid rising hopes that the two communities were edging towards recon-

ciliation after being divided for 23 years.

Their talks in Switzerland followed two encounters in Nicosia, the divided Cypriot capital, and a previous round in Troutbeck, in rural New York state, in July. United Nations officials, who are organising the talks, said the previous meetings were constructive and expected the negotiations in Switzerland to maintain progress.

However, a European Commission announcement during the Troutbeck talks that it would open accession talks with the Greek Cypriot

government next year, while excluding Turkey from the next round of EU enlargement, infuriated the Turkish Cypriot delegation.

Mr Denktash maintains, like Turkey, his only international supporter, that the Cypriot application is illegal because it was not made on behalf of all the island's population.

Cyprus was partitioned in 1974 when Turkey invaded after a short-lived pro-Greek coup.

Yesterday Mr Denktash said: "The failure of the talks was clear from the

beginning. I think we all knew in a few meetings that the solution would not appear." He said he would not meet Mr Clerides again until the EU clarified its position.

Brussels argues the promise of EU membership would speed reunification. However, several important EU governments warn privately that they would veto accession by a government that would erode its power base and further isolate his Turkish

partners. *Chrystia Freeland in Moscow*

Russian President Boris Yeltsin yesterday threw his weight into long-running privatisation mélée, attacking his recently ousted privatisation minister for holding certain commercial banks "closer to his soul" than others.

The comment by the Kremlin chief, who usually prefers to remain aloof from Russia's frequent financial scandals, was a thinly veiled blow against Onerixbank, the powerful business group which triumphed in the recent privatisations of Sviazinvest, a telecoms company, and Norilsk Nickel, one of the world's leading nickel producers.

"The entire scandal with Sviazinvest and Norilsk Nickel is connected with the fact that certain banks are apparently closer to the soul of Alfred Kokh [the former privatisation minister] than others," the president said. "That should not be the case; everything should be fair, open and legal."

Mr Yeltsin's sharp criticism of Mr Kokh, an important figure in the cabinet's young reform team, is an unexpected gift for Onerixbank's losing rivals. Over the past weeks they have consistently alleged Onerixbank owed its double privatisation victories to shady deals inside the government.

Another bill will create a Supreme Justice Council, effectively a legal watchdog. But the Dutroux commission's main recommendation, to merge Belgium's three police forces - local police, gendarmerie and judicial police - is meeting stiff opposition from the forces themselves, and some politicians. Open rivalry between the forces was identified as a critical failure in the Dutroux investigation. The gendarmerie, or general police force, was accused of withholding information from the judicial police, the investigations unit, which wanted the glory of solving the case for itself.

Belgians could punish the government in a general election which could be held as early as next year, by voting for radical fringe parties. A different kind of protest vote might also become possible. Speculation persists that local pro-reform "White Movements", spawned by the White March, might transform themselves into a political force.

The parents of Julie and Melissa asked in a statement: "Will we all find our selves back on the streets tomorrow protesting, for want of being taken seriously in our battle?"

Mr Stefaan de Clerck, justice minister, insisted the

commission is still investigating whether Mr Dutroux enjoyed official protection, but has been undermined by publication of a book by one of its members revealing evidence given to it in secret.

Other cases have contributed to the collapse in public confidence in the state, including arrests linked to the unsolved 1991 shooting of a former deputy prime minister and the resignation of a regional minister on paedophile charges.

Similar child sex allegations against a serving deputy prime minister, Mr Eli di Rupo, were quickly dismissed as groundless, and taken by the public as another example of official bungling or skulduggery.

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## NEWS: ASIA-PACIFIC

# India celebrates 50 years in sombre mood

By Mark Nicholson in New Delhi

In the busy town of Sikandabad, 65km from Delhi, locals seemed to be ignoring the official holiday yesterday marking India's 50th anniversary of independence. The chief commotion of note in the town was caused by a drummer on a cycle-rickshaw advertising the local cinema's latest release, a film called *Life is a Battle*.

That summarises India's past and may beforeshadow the future of Mr K. Gujral, Indian prime minister,

as he outlined his bold ambitions yesterday to root out "the curse of corruption". After hoisting at dawn the Indian tricolour above Delhi's 17th century Red Fort, Mr Gujral, in a speech more triste than tryst, told national television audience: "Our war is corruption and for this we have to build a mass movement."

The flag-raising replayed a ceremony begun on August 15 1947 by Jawaharlal Nehru, the country's first prime minister, much as India's newly elected president,

replayed to a silent house a recording of Nehru's famous "tryst with destiny" speech.

Mr Gujral's speech sombrely capped India's already muted golden jubilee celebrations as he urged the country to unite, as it had once again against the British, this time to fight the corruption which he said "threatens to destroy our country from within".

It was a gloomy speech echoing an earlier and equally sombre speech by Mr K. R. Narayanan, India's newly elected president,

the first from the so-called untouchables. It was all low-key, in keeping with a festivity which has apparently failed to catch the imagination of most Indians.

The prime minister's sentiments were shared along the Grand Trunk Road out of Delhi in Sikandabad, where 23-year-old Mr Mohammed Islam said: "Everybody wants a bribe - the poor man can get nowhere."

"I suppose it's a happy day," he said, selling cigarettes and fruit juice from a roadside stall, "and

we all wish things will get better. But things are difficult."

Mr Islam did not seem impressed by Mr Gujral's anti-corruption rallying call, which he had not watched on TV. "Prime minister keeps gabbing," he said. "But they never do anything."

Mr Choudhury Rajpal, an 83-year-old retired government official who claimed to have been at the Red Fort when Nehru first unfurled India's new flag a half century ago, struck a cheerier note. "We were your

slaves, and we were freed from your clutches - even the trees and flowers are happy."

But even Mr Rajpal, who said he and his friends remained committed to the ideals of Mahatma Gandhi, considered some doubts about the past 50 years. "I still believe his philosophy, but some where down the road the line was broken."

"There are not enough Indians left, they're all gone. But the dream is incomplete, his work remains to be done."

End in sight for Saturday work

## Leisure comes to toiling Taiwanese

By Laura Tyson in Taipei

The pillars of Taiwan's business establishment - men who toiled unceasingly most of their lives to build their companies, and to whom leisure is anathema - complain bitterly at the notion of a five-day work week about to be implemented.

Mr Wang You-cheng, chairman of diversified Rebar group and a senior figure in the ruling Nationalist party, will not toe the line. "I will not cut the group's working days unless the per capita GNP of Taiwan reaches US\$20,000 a year," said Mr Wang, who doubles as the head of the powerful General Chamber of Commerce.

But unlike Mr Wang, many of Taiwan's businesses are scrambling to capitalise on an expected increase in leisure spending once consumers have more free time.

Taiwan's cabinet this week approved a watered-down version of the controversial five-day work week plan, agreeing to give all government workers two Saturdays off each month. Many private businesses are likely to follow suit.

The compromise decision, won after months of haggling with business leaders, paves the way for the eventual elimination of Saturday work. Students, who now attend class six days a week, will also have two Saturdays off each month and like civil servants can look forward one day to having all weekends free.

Such changes sit uneasily with those such as Mr Wang Yung-ching, octogenarian chairman of Formosa Plas-

tics, the petrochemical concern that is the country's biggest private industrial group. "A five-day work week will reduce national economic competitiveness," he said in early July, adding that his company would go along with the measures but it would increase costs.

However, President Enterprises, the food and retailing conglomerate led by Mr Kao Ching-yuan, another Nationalist party heavyweight, has taken another path. President has decided to move into tourism and leisure in order to take advantage of the longer holiday. It plans a 257-hectare resort and entertainment park in southern Taiwan, county, in what will be the island's biggest such complex. It has also invested US\$70m in health and fitness centres.

A construction group, Ever Fortune, is spending US\$348m on a 198-hectare amusement park in central Taichung. And several other leading business groups have announced plans to build hotels, resorts and entertainment facilities.

The tourism industry hopes that higher quality leisure facilities will lure Taiwan residents, who now prefer to go abroad for holidays, into spending their vacations at home.

Foreign groups have also shown interest. Warner Brothers, the US entertainment group, this week announced plans to invest up to US\$200m to build multiplex cinemas around the island. In November the group plans to open a 24-hour day, 17-screen cinema in Taipei, the first such complex in Asia.

By James Kyng in Kuala Lumpur and John Riddings in Hong Kong

The Indonesian rupiah and Malaysian ringgit hit new lows against the US dollar yesterday as the contagion among the region's currencies threatened to spread to areas where economic fundamentals are undeniably sound, such as Hong Kong.

"This is no longer a case of deprivations reflecting domestic economic weaknesses. This is speculation being driven by speculation," said one bank's treasury economist in Singapore.

The rupiah fell to an all-time low of Rp2,940.00 before

recovering to 2,890. On Thursday it slumped more than 6 per cent as the country's central bank let it float freely, abandoning its bid to hold the currency within a trading band. Overnight interest rates hit 128 per cent yesterday but later fell back to about 30 per cent.

The ringgit slumped to M\$2.8210 to the US dollar, its lowest level since it was floated in 1973, while the Singapore dollar slid to S\$1.5240, its weakest level in three years. Economists said that in Malaysia's case, recent conflicting statements by Dr Mahathir Mohamad, the prime minister, and his deputy, Dr Anwar Ibrahim,

over whether to delay some large projects had contributed to selling pressure.

There was no sign of intervention by the Indonesian, Malaysian or Singaporean central banks. Treasury economists said that most central banks in south-east Asia had recognised that intervention now was akin to "throwing money away".

"The only thing that governments can do to restore composure is to try to convince the markets that their economic fundamentals do not warrant excessive currency weakness," said Mr Mitul Kotekha, treasury economist at Standard Chartered Bank in London.

The Thai baht, which is down 18 per cent since early July, held relatively steady yesterday but economists continued to wonder if a US\$16bn rescue package led by the International Monetary Fund would prove sufficient to prop up the currency in the long run.

Ripples of uncertainty were experienced even in Hong Kong which, by dint of its sound fundamentals and about US\$70bn in foreign reserves, has been a relative haven of stability.

Bonds and shares fell sharply amid signs that the territory's currency was facing speculative pressure and as investors took profits and

established defensive positions ahead of an extended holiday weekend. The Hang Seng stockmarket index lost 400.83 points, or 2.43 per cent, to close at 16,096.88. The overnight Hong Kong interbank rate rose from 8.25 per cent to above 7 per cent.

After the domino effect across south-east Asia, it is not surprising that the Hong Kong dollar has come under attention," said the head of treasury at one European bank in the territory. "But I think today's events are more precautionary than predatory. They don't want to be exposed if rates have to go up to defend the currency."

## Yamaichi executive stabbed to death

By Gillian Tett in Tokyo

A top executive at Yamaichi, Japan's fourth largest securities house which was involved in a scandal over links with *sokaiya*, Japan's corporate racketeers, was murdered in a parking lot on Thursday.

Mr Koichiro Tarutani, 57, previously head of Yamaichi's customer relations section, was stabbed near his home in Tokyo, police said yesterday.

The death comes as Yamaichi and other leading Japanese financial institutions have been engulfed by a scandal over relationships with *sokaiya*, Japan's corporate racketeers.

Although Tokyo police yesterday refused to confirm whether the killing was related to the *sokaiya* scandal, they said the killer had not removed the Y143,000 (\$1,200) in cash which Mr Tarutani had been carrying at the time, suggesting the incident was not a random robbery.

Mr Shohei Nozawa, appointed company president last week, said yesterday that Yamaichi was seeking ways to cut *sokaiya* links.

He also said Yamaichi would be willing to conclude an alliance with a foreign partner to boost its business base.

"We would like to deal positively with an offer for partnership with a foreign company," he told a Japanese news service.

The comments follow a series of tie-ups between foreign and Japanese financial groups in recent months. Yamaichi, the weakest of Japan's four large brokers, is thought by many analysts to be particularly keen for a tie-up, especially in the light of worsened earnings prospects due to the scandal.

Mr Tarutani's death is also expected to stir up new controversy about corporate links with *sokaiya*. The last time an executive was killed in relation to *sokaiya* scandals was when a senior executive of Fuji Film was slain in a sword attack on his doorstep in 1991, after refusing to make *sokaiya* payments.

The latest *sokaiya* scandal emerged earlier this summer when Nomura, Japan's largest securities house, and Daiichi Kangyo, a leading bank, admitted financial links with Mr Ryuichi Koike, a well-known *sokaiya*.

## Malaysian, Indonesian currencies fall

By James Kyng in Kuala Lumpur and John Riddings in Hong Kong

The Indonesian rupiah and Malaysian ringgit hit new lows against the US dollar yesterday as the contagion among the region's currencies threatened to spread to areas where economic fundamentals are undeniably sound, such as Hong Kong.

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Bonds and shares fell sharply amid signs that the territory's currency was facing speculative pressure and as investors took profits and

## Thai PM tries to halt slide with reshuffle

By Ted Bardsley in Bangkok

Mr Chavalit Yongchayudh, Thai prime minister, reshuffled his cabinet yesterday in a bid to revive his government's sinking popularity, bringing in a former finance minister and severe government critics to oversee economic policy and relations with the International Monetary Fund.

Mr Virachongse Ramanonda, 54, who played a crucial role in the successful devaluation of the Thai baht in 1983 and was the Thai government's point man in relations with the IMF during the early 1980s, was named deputy prime minister and finance minister in charge of economic affairs. He was one of the first leading economists in the country to publicly call for Thailand to liberalise its exchange system. Once that was done in early July he immediately called for the government to turn to the IMF for help.

The new minister is also a confidant of Mr Prem Tinsulanonda, the senior royal adviser.

Analysts said this connection to the royal palace could give Mr Virachongse the political backing needed to push through unpopular measures. As an unelected minister, Mr Virachongse lacks his own political base, a problem that could limit his effectiveness. Mr Thaksin, a former foreign minister and deputy prime minister in two governments, was appointed a deputy prime minister and is expected to look after regional development and street demonstrations.

Mr Thaksin, whose popularity waned after his Palang Dharma party was routed at the polls last November, also brings considerable financial resources to a cabinet which will suffer under IMF-stipulated budget cuts.

The reshuffle, focused on deputy ministerial positions, was not the only a handful many people in Bangkok were hoping for. It left untouched a number of the cabinet's most unpopular members, while the widely criticised Mr Sukavich Rangsitpol lost his job as education minister but retained

his deputy prime minister position.

While respected for his actions during the 1980s and earlier this decade, Mr Virachongse's more recent record is mixed. He was a member of the board of directors of the Bangkok Bank of Commerce, which

sank under a \$30m mountain of bad debt caused by fraud and mismanagement. Some Thai bankers questioned his loyalty when he used information gleaned from his position on the board of directors of the central bank to argue publicly against central bank policy.

Thaksin: party routed in the November polls

AP

## BUSINESSES FOR SALE

### CALL FOR EXPRESSIONS OF INTEREST IN PURCHASING THE ASSETS OF "UNICOT HELLAS INDUSTRIES COTTONIERE S.A." OF ATHENS, GREECE

ETHNIKI KEPHALOYI S.A., Administration of Assets and Liabilities of 92 Chrysostomou Str, Athens 10691, Greece, in its capacity as Liquidator of "UNICOT HELLAS INDUSTRIES COTTONIERE S.A.", a company with its registered office in Athens, Greece, the ("Company"), presently under special liquidation according to the provisions of Article 46a of Law 1892/1990, by virtue of Decree 105/91 b.12/1990 of the Athens Court of Appeal invites interested parties to submit within twenty (20) days from the publication of this Call, non-binding written expressions of interest for the purchase of the assets mentioned below.

### BRIEF INFORMATION ABOUT THE COMPANY

The Company was established in 1971 and remained in operation until 1993, when it was declared bankrupt. Its activities included cotton ginning, the manufacturing of cotton yarns, the production of cotton mill fabrics. On 16.12.1996 it was placed under special liquidation according to art. 46a of Law 1892/1990.

### ASSETS OFFERED FOR SALE

The assets offered for sale include a cotton ginning mill and a spinning mill, both standing on a plot of approx. 87,674.85 sq.m., located at Agios Ioannis Lavrda, a section of which (approx. 3,995 sq.m.) is to be street aligned. This comprises buildings, the area of which amounts to 22,159 sq.m. and sheds, the area of which amounts to 3,314 sq.m., approximately. The plant's machinery includes a LJM/IMUS spinning unit, with a capacity of 6,300 kg. of ginned cotton per hour and a (large) RIEKER 29,352 bobbin spinning unit, with a capacity of 11 tons of N.E. 33 yarn per 24 hours. The assets on sale also include any other items belonging to the Company being liquidated. The mills were leased out to third parties until 31.8.1996. However, by order of the Athens Court of Appeal No. 3307/1997 the lease has been terminated and legal proceedings are pending for rendering the premises.

### SALE PROCEDURE

The Company's assets will be sold by way of Third Public Auction in accordance with the provisions of Article 46a of Law 1892/1990, as supplemented by art. 14 of L.3006/1991 and subsequently amended) and the terms set out in the Call for tenders for the sale of the above assets, to be published in the Greek and foreign press on the dates provided by law.

### SUBMISSION OF EXPRESSIONS OF INTEREST - OFFERING MEMORANDUM

For the submission of Expressions of interest and in order to obtain a copy of the Offering Memorandum, please contact the Liquidator, ETHNIKI KEPHALOYI S.A. Administration of Assets and Liabilities", 92 Chrysostomou Str, Athens 10691 GREECE, Tel: +30-323.14.84 - 87 fax: +30-321.79.05 (secretary of Mrs. Marika Frangkou), or the Liquidator's representative Mrs Aggeliki Tsampradou, 75 Solonos St, Athens 106 79, Tel: +30-36.46.350 Fax: 010-36.40.591.

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## Yamada executed stabbed to death

By Robert Gorringe in London and  
Graham Bowley in Frankfurt

By Gillian Tett in Tokyo

A top executive at Japan's fourth largest corporation, which was incorporated in a scandal last year, was murdered on Thursday. Mr. Yoshiro Terao, previously head of a section, was stabbed to death in Tokyo yesterday.

The death comes

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## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday August 16 1997

## A question on jobs

Whatever their grades, the 300,000 UK pupils who received their A-level results this week are now facing better employment prospects than at any time this decade.

At least it looks that way. UK unemployment has fallen to 5.5 per cent of the workforce, the lowest since the last trough in 1990, according to official figures this week. Vacancies are at their highest for two decades. And, even better news for the A-level cohort, companies report acute shortages of people with special skills.

But can it last without falling into the old familiar cycle of inflation, and eventual recession? This is the question now facing economic policymakers not only in the UK, but also in the US, where a buoyant jobs market and subdued wage pressures pose a similar dilemma.

The puzzle facing the authorities on both sides of the Atlantic is this: unemployment has now fallen to levels which, in recent years, would have sent the economy careering into another rise on the inflationary switchback.

In the US, the rate of unemployment at which inflationary warnings start to flash was thought in the early 1970s to be as high as 8 per cent. This year it has been put at around 5% per cent. But unemployment in July was down to 4.8 per cent without triggering the alarms. And it seems set to fall further into the danger zone.

In the UK, the signals are harder to read, because of the much larger swings between boom and bust during the last two decades. It is correspondingly even more important to read them right. In its Inflation Report this week, the Bank of England remarks ominously that "measures of labour market tightness are as high now as at any time in the late 1980s cycle".

### Blooming economy

And everybody knows what happened that time round. The A-level students emerging into a blooming economy in 1989 found, when they left university three years later, that unemployment had almost doubled while on every side, corporate doors were being slammed shut. This happened because scarcely anyone predicted the inflationary consequences of the go-go economy of the late 1980s. And when the authorities did react with higher interest rates, it was too late.

Yet despite this precedent,

which City analysts continue to hold up as an awful warning, the Bank said this week that it did not want to pour any more cold water on the economy. The rise in interest rates to 7 per cent which it announced on August 7 would be the last for some while. The Bank would wait to see whether the economy was cooling of its own accord.

### Musing aloud

This pause is an important way similar to that in the US, where Mr Alan Greenspan, chairman of the Federal Reserve, has been musing aloud as to whether a new relationship between unemployment and inflation is emerging. He has said much more explicitly than the Bank of England that he does not want to tighten monetary policy so long as the economy seems able to grow robustly (and create more jobs) without exciting wage pressures.

Nobody knows for sure whether the US has been able to shift gears without strain on the economic engine. If so, the Fed thinks there may be three main reasons: sharper competition following the deregulation of industries such as telecommunications; fear of the sack, which has made workers more docile; and a better use of computer technologies to increase productivity and make production more flexible.

These changes could all help to subdue prices, and the first two, particularly, could be at work in the UK. Britain's labour force was severely cowed by the lay-offs of the early 1980s. More important, it has in recent years come used to average earnings rises of about 3% per cent – little more than half the rate it expected even during recession in the previous decade.

In effect, the market is becoming institutionalised as private individuals reduce their direct exposure to equities in order to take advantage of tax-privileged forms of ownership. The resulting concentration of funds in the hands of professional fund managers must, other things being equal, create a greater bias in favour of larger-cap stocks.

A peculiarity of professional investment management is the efficiency with which it can turn a bias into self-feeding mania. First comes the perception that the stocks of large companies are outperforming the market, much as they did in the days of the so-called "nifty fifty" stocks in the late 1960s and early 1970s. Then, as Mr Hale points out, brokerage firms seek to exploit this by selling unit trusts that focus exclusively on the 10-15 largest multinationals companies.

These funds have attracted nearly \$20bn, adding pressure to the large-cap mania.

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## Legend in the News · Elvis Presley

## He can do anything

Peter Aspden and John Authers on the King's appeal

Elvis Presley celebrates the 20th anniversary of his death today by performing 'Live' thanks to video technology, in his home town of Memphis. This will be only the most dramatic symptom of a culture which refuses to let him die.

A fresh round of miracle sightings has already occurred: on a California beach on a Greek island, on the surface of Mars. A search on the Internet will now reveal web sites run by such organisations as the First Church of Christ, Elvis, and the First Presbyterian Church of Elvis the Devil.

Such extraordinary and curious reactions are not new. Among the early official products to have been marketed after Elvis's death were a dog food called Love Me Tender Chunks, and Always Elvis wine ('the wine Elvis would have drunk if he drank wine').

An international conference gathered in Memphis this week, attempting to explain an appeal that still endures 20 years after Elvis's death and now extends far beyond the US. There is a Finnish Elvis, Jukka Ammoni, who has recorded Latin language versions of the King's hits.

These examinations, and their Scottish equivalent, Highers, are ceasing to be ends in themselves. They have become a nationwide university entrance exam. And, for most candidates, a passable one. This year, for the 16th year running, the pass rate rose - this time to 87 per cent.

The protests of pupils, teachers and educationalists notwithstanding, this rising success rate is unlikely to be due to an acceleration in the pace of human evolution, better teaching or harder work. It is more probable that the exams have become easier and the marking more lax.

The explanation for this lies in a sustained campaign to increase the number of school-leavers going to university. It is a campaign the new government seems intent on continuing.

Thirty years ago, fewer than 10 per cent of school-leavers went on to university. Today, the proportion is close to a third and rising.

The number of people in higher education has doubled to 1.6m since 1977. Because funding has not kept pace, unit costs - public spending per student in real terms - have been slashed by 40 per cent.

If a private company had doubled output and managed such efficiency gains, its senior executives would have been showered in bonuses by grateful shareholders.

But because universities are not run like private companies, this success has had little impact on them - except to benefit the new graduates who find them-

elves earning higher salaries than they would have without degrees.

From this point of view, it makes sense to charge undergraduates university fees, as proposed this month by Sir Ron Dearing's committee on higher education. It would have made more sense, had anyone really believed Dearing's rhetoric about the macroeconomic importance of higher education, to tax businesses for the privilege of hiring graduates.

At any rate, from October next year, most people going to university will have to pay £1,000 a year towards undergraduate fees and the poorer students, who will have their fees paid for them, will lose their maintenance grants.

The trouble is that the new money, however it is raised, might not actually be translated into higher allocations from the all-powerful Higher Education Funding Council. The Treasury could simply pocket the money from the tuition fees by reducing what it pays to the HEFCE.

In many ways, this exemplifies the Faustian nature of the pact struck by the universities with the state in the 1960s: in essence, higher education is a planned economy, and those who work within it are at the mercy of a capricious bureaucracy.

The symptoms of Sovietisation are everywhere, and not only to be seen in British universities. Buildings are crumbling for lack of investment. They lie empty half the year. Students routinely steal books from libraries, if the libraries can afford to

elects that year, for the slick, slim-line edition. No other 20th century rock star has enjoyed such enduring appeal after death.

Even John Lennon of the Beatles, who enjoyed similar stature during life, cannot match Elvis in the popular memory.

On the anniversary of Lennon's death, about a hundred people joined hands at Strawberry Fields, an ornamental garden in New York's Central Park opposite the apartment building where the singer had lived and died. But this was a minuscule reaction compared with the expected 50,000 who were due to hold a candlelit vigil at Grace Church this morning.

So what are the pilgrims outside Graceland celebrating? Obviously, there is the music. If not the inventor of rock and roll, Elvis was present at its creation. His earliest recording sessions, in Sam Phillips' Sun Records studios, were a melting pot of country, R&B,

and blues which at first puzzled and then excited disc jockeys.

What puzzled them most was the colour of the singer. The southern music scene had been divided between the plaintive tones of white country singers and the more raw, angry sound of the black bluesmen. Elvis absorbed both traditions and straddled the divide. Marion Keisker, the woman who discovered Elvis, said of the Sun sessions: "It was like two feuding clans who had been brought together by marriage."

So even before his 20th birthday Elvis's importance transcended musical boundaries. Elvis and his side men understood exactly what they were doing. "Damn right!" exclaimed guitarist Scotty Moore in the studio when Elvis cut loose on an archetypal old country tune *Blue Moon of Kentucky*. It was, needless to say, no insult. If Americans were looking for the moment when racial integration

began to happen, here was a candidate.

But US society was not quite ready for the giant steps Elvis was taking in the mid-1950s. Even before he was famously filmed only from the waist upwards on the Ed Sullivan television show to spare the public his pelvic thrusts, he had been humiliated more crudely on a rival talk show, when he was forced to dress in tails and sing *Hound Dog* to a dog.

But Elvis's fall from grace only enhanced the myth. One could read anything one wanted into it: how the optimism of the America in the 1950s turned into the dread of the 1970s; how a King could remain rich but lose his riches; how a good old southern boy who loved his mama could go off the rails the minute she wasn't around any more.

It is perhaps no surprise that people should want to add to all this a belief in Elvis's mysterious disappearance or even resurrection.



Niall Ferguson says technology is the issue in higher education, not A-levels or financing

## Alternative way to meet the university challenge



Higher learning students log on to the future

as follows: yet more middle-class kids, running up bigger debts, being taught by moonlighting dons and getting 21s in media studies. Meanwhile, companies have to buy in their computer programmers from abroad.

There is an alternative. As Dearing notes in a neglected part of his report: "New technology... opens up the possibility of higher education programmes being offered remotely by anyone anywhere in the world, in competition with existing UK institutions."

This is an allusion to the growing market for 'distance learning', where lectures, classes or tutorials are conducted via e-mail and video conferencing. So far it has mainly been tried in areas where significant geographical obstacles come between individuals and universities, for example, the Outer Hebrides. But at least one British university is developing a "television" aimed at a wider constituency - a kind of Open University for the Microsoft age.

The disadvantages of online higher education are obvious enough. It will not deliver the kind of social life that most students have come to expect. You cannot lose your virginity by modem; nor can you download 10 pints of Newcastle Brown. But then sex and alcohol are not what universities should be providing. Nor are they what today's school-leavers need, since they already seem to have plenty of both at school.

In contrast, the advantages of a "television" are clear: it can offer low fees because its overheads will be

Niall Ferguson is Fellow and Tutor in Modern History at Jesus College, Oxford.

## The end of the road for Karadzic

UN closes in on former leader, writes Guy Dinmore

**H**is eyes follow you everywhere. On shopfronts and offices in the Bosnian Serb stronghold of Pale, posters of a grimly smiling Mr Radovan Karadzic carry a simple warning, in English: "Don't touch him."

The whereabouts of Bosnia's most wanted war crimes suspect is no great secret - a fresh tarmac country road leads past fields of sheep and tidy gardens to a barrier guarded by uniformed police.

There is, therefore, a real disincentive for them to develop online courses, which is why most simply use their web sites to reproduce their prospectuses.

Although Mr Karadzic may now think twice before venturing out of his villa behind the darkened windows of his guarded convoys, western officials say privately it appears that plans for a joint US-British-France swoop on the indicted war criminal remain a last resort.

Such an operation could well involve casualties and lead to reprisals on international targets - as happened after British troops seized one wanted war crimes suspect and shot dead another who resisted arrest near the Serb-controlled town of Prnjavor in northwest Bosnia.

Seizure of Mr Karadzic, rather than his voluntary surrender to The Hague, would also undermine the precarious position of his successor as Bosnian Serb president, Mrs Biljana Plavšić, who is locked in a power struggle with the Pale hardliners.

Holed up in the area she controls around Banja Luka in northwest Bosnia, Mrs Plavšić, who enjoyed a wartime reputation as a fervent Serb nationalist, has sought to capitalise on the public support pledged by Mr Holbrooke last week.

"American or not, we need him," Mrs Plavšić said in a public broadcast, urging her fellow Serbs to vote against Mr Karadzic's ruling party in parliamentary elections she has called for October.

**T**he 67-year-old former biologist has confounded analysts by surviving this long. Although her allegations against Mr Karadzic and his cronies have struck a chord among Serbs struggling to survive, few believe her newly-formed party can win the elections if they take place at all.

Perica Vucinic, editor of the independent Banja Luka magazine Reporter, still believes Mrs Plavšić is "politically dead" and says Mr Holbrooke has been sucked into another dangerous Balkan quagmire by backing the Bosnian Serb president.

Mrs Plavšić says she is committed to the peace process but would nevertheless refuse to hand over Mr Karadzic to The Hague even if she had the powers to do so.

Mr Holbrooke, she says, is a man "who likes to push the button" and see quick results but the peace process will need more time. "I don't know if Mr Holbrooke sees this," she adds.

## Where a bad hair day breaks the rules

Richard Tomkins explains the business culture of UPS that lies behind a damaging labour dispute

theories suggested that people worked most productively if they performed tasks that had been scientifically measured by time-and-motion studies.

Jim Casey, who founded UPS as a bicycle messenger service in 1907, took these theories to heart. During his 55-year tenure as company boss, he elevated efficiency to near-religious status. Today, his legacy lives on: efficiency experts permeate UPS, timing the moves of workers to fractions of a second.

Drivers, for example, are expected to walk at a pace of six per second so, based on the number of packages they have to deliver and the distance they have to walk from the van to each delivery point, supervisors can work out exactly how long they should take to complete their round.

Until recently, drivers were also instructed how to move in an effort to maximise efficiency. Packages were supposed to be carried under the left arm, and the driver stepped into the van with the right foot while holding the van's key ring on the middle finger of the right hand. UPS says some of these rules have been relaxed. Yet employees

delivering "least best" performance find themselves with a supervisor in their cab, scrutinising them.

"It's just like the military," says Mr Burroughs James, a UPS driver in Edison, New Jersey. "If you don't meet their time standards, they ride with you and tell you every little thing you do wrong."

UPS is proud of its approach to industrial efficiency. "If we didn't invent the principle, we certainly perfected it," it says. "We have industrial engineering managers throughout the organisation, perfecting methods for the maximum efficiency of package handling and how workers perform."

And then, there is the hair. Strict rules apply to the personal appearance of employees. Beards are forbidden; moustaches must not extend beyond the corner of the mouth and hair is not allowed to grow so long that it covers the top of the collar or the ear lobes.

The company says it is surely not unreasonable to expect employees to be neat and clean - particularly those in direct contact with customers. The rules on long hair and beards promote safety in the workplace, it says, especially those

working close to machinery.

Of course, UPS is not the only company with a dress code. But the two large US companies previously renowned for their strictness - Walt Disney and Electronic Data Systems - have recently relaxed their rules. Federal Express, a UPS rival, says it discourages "excessive" hairstyles among delivery drivers, but does not prescribe any maximum hair length.

UPS is simultaneously tightly controlled and egalitarian. Almost all managers, including Mr James Kelly, chairman and chief executive, have worked their way up through the ranks. Managers eat in the same canteens as other workers, have no executive parking places, and fly economy class. Mr Kelly answers his own phone and does his own photocopying.

Still, this is a company where some are more equal than others. The impression of employee ownership is something of a sham: 92 per cent of the employee-owned shares are owned by managers, not shop-floor workers. Managers get most of their shares free as part of incentive schemes, workers have to buy them.

"They say they have a heart, but we have no heart. That's the bottom line," says Mr Peter Gonzalez, a loader at UPS's Meadowlands depot in Secaucus, New Jersey. The angry voices on the picket line will make it hard, once the dispute is over, to re-establish the machine-like efficiency of which the company is so proud.

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# Tokyo to offer coffee futures

## MARKETS REPORT

By Gary Mead

It was an inauspicious day for the Tokyo Grain Exchange to announce it will offer both arabica and robusta coffee contracts, when it launches a yen-based coffee future contract - details of which are expected to be finalised next month - as it coincided with an accelerating downward move in London and New York, the world's two leading coffee futures contracts.

"You can see the logic. South-east Asia is now a major robusta producing region. But a robusta futures contract set up in Singapore three years ago trades ridiculously low levels. Getting the liquidity going is very difficult," said one London analyst.

Mr Lawrence Eagles, coffee analyst with GNI, added: "You have to remember that the London and New York coffee contracts are not big markets. I don't think the TGE will have the necessary liquidity to get going."

On the Coffee, Sugar and Cocoa Exchange in New York, early trading saw the September arabica future reach a three-week low of 175.25 cents a pound, though it picked up slightly later, to \$179.50 cents, down 5.05 cents a pound.

Meanwhile on the London International Financial Futures Exchange the same month contract, for robusta, slumped by \$2.00 to close at \$1.47 a tonne. "It's a very difficult situation at the moment," said Mr Eagles. "Technically it's looking

very weak and we are perhaps facing a supply surplus for the next crop year. We're probably still on a downward path," he added.

Other commodity markets were also softer, with three-month copper prices on the London Metal Exchange reaching their lowest since February. The base metal moved into contango - when the cash price is beneath that for future months - for the first time in almost a year, a clear indication that the recent squeeze in the market is now easing. Traders said stocks in LME warehouses - up 145,200 tonnes this year - and the northern hemisphere's summer slowdown were both significant factors in the changed mood. By the end of the afternoon's "kerb" trading copper's three-month price was \$58 lower, at \$2,213 a tonne.

## WEEKLY PRICE CHANGES

	Latest price	Change	Year	1997
	on week ago			
Gold per troy oz.	\$324.55	-1.00	\$387.70	\$389.65
Silver per troy oz.	278.00p	-2.00	329.95p	330.10p
Copper Grade A (cash)	\$605.5	+1.00	611.5	611.5
Lead (cash)	\$224.70	-7.25	230.54	230.54
Nickel (cash)	\$605.5	+1.75	613.50	613.50
Zinc SHG (cash)	\$1662.5	-12.5	17017.5	17165.0
Tin (cash)	\$5370.00	-10.00	5380.50	5380.50
Copper Futures Sep.	\$1,000	-10	\$1,010	\$1,013
Sugar (LDP Raw)	\$282.70	+0.40	\$280.00	\$281.10
Wheat Futures Sep.	\$78.25	-1.50	\$101.30	\$98.90
Cotton Outlook A Index	\$1.46c	-0.05	75.80c	82.25c
Wool (64 Super)	435p	+18	417p	448p
Oil (Brent Stand)	\$18.925	+0.325	\$19.90	\$24.95

Per tonne unless otherwise stated. p Pence/c. Cents £. x Sep.

## WORLD BOND PRICES

**Prices slip in thin trading**

### MARKETS REPORT

By Edward Luce in London and John Labate in New York

European government bond and US Treasury prices all fell yesterday on generally thin trading but sharp volatility.

German bond futures led the decline in Europe with many of the other markets, including Spain, France and Italy, on hold.

With a turnover of just 77,800 contracts on Liffe, analysts attributed little significance to the fall in German bond futures yesterday. Daily turnover is usually around 200,000 contracts. The September futures contract fell by 0.21 to close at 102.14 in London.

"We shouldn't read too much into the market volatility over the last week," said Mr Nigel Richardson, chief bond researcher at Yamaichi in London. "Volumes are low and it's the silly season as well."

The markets, nevertheless, are looking ahead to the meeting of the Bundesbank council next Thursday which many expect will result in a rise in the German repo rate from its current low of three per cent. German M3 - or broad money - data for July is also expected on Wednesday.

"The Bundesbank itself half-expects M3 growth to accelerate so we will be watching the figures closely," said Ms Sharda Persaud, Emu economist at Paribas in London. Analysts also predict a strong showing in the ifo business confidence survey which would also add to speculation about an interest rate increase on Thursday.

UK gilts also fell yesterday in line with US Treasury prices during morning trading.

Economists said the

market was expecting next Wednesday's data to show UK retail prices growing by 0.4 per cent in July. Anything higher than 0.6 per cent growth would spark a sharp sell-off.

"All the risk is on the upside," said Mr Richardson. UK gilt futures fell by 1/2 to stand at 114 in London on thin trading. The spread of cash gilts over bonds remained steady at 151 basis points.

US Treasury prices plunged in moderate morning volume before recovering somewhat.

By early afternoon the benchmark 30-Year Treasury bond was down 1/16 at 97.14, sending the yield higher at 6.574 per cent.

Shorter-term issues also came under selling pressure as the two-year note slid 1/100 to, yield 5.873 per cent and the 10-year note also fell 1/100 to 9.045, yielding 6.261 per cent.

"It's been a very choppy week," said Mr David Ging, market strategist at Donaldson, Lufkin & Jenrette.

Treasury investors received a double-shot of good news on inflation as July figures for producer and consumer prices reported inflation continued to be tame.

Weakness in the dollar, however, led to lower prices. Friday's losses came as the dollar fell against the DM - as the Dow Jones Industrial Average also moved lower.

Consumer confidence was reported to have declined in July, according to a report by the University of Michigan. The index was reported to have fallen from 107.1 to 102.8, and consumer expectations also declined for the month.

Given the low inflation news, most analysts expect the Federal Reserve to hold the line on interest rates when it meets next week.

### BENCHMARK GOVERNMENT BONDS

#### UK GOVERNMENT BONDS

Coupon Date Price Day's change Yield Week ago

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## CURRENCIES AND MONEY

## False moves

## MARKETS REPORT

By Richard Adams

In an inversion of usual events, sterling gained over a cent against the US dollar but was barely changed against the D-Mark in a day of busy trading on the London currency markets yesterday.

With much of Europe closed for public holidays, the movements between the dollar and the D-mark were exaggerated with the dollar giving up 2.6 pennings against the German currency as traders looked to balance their books before the weekend.

Dealers said the shift of sentiment surrounding future upward movements in German interest rates prompted selling dollars for D-Marks by hedge funds.

The dollar closed the week's trading at DM1.818, down from DM1.846. The dollar also dropped by Y0.8

against the yen on the day to Y117.4.

Against sterling the dollar was \$1.61 exactly, a rise of 1.6 cents. Sterling also closed at DM1.928, little changed from Thursday's final price of DM1.929. The Bank of England's trade-weighted sterling index rose to 102.1.

It was quiet on the gilt market, but the currency market has been incredibly busy," said a trader in London. "A number of players in New York wanted to sell."

The strength of profit-taking on short term speculation than on fundamentals.

The dollar's rise against the yen has also been sharp recently, thanks to weaker currencies in South-east Asia and the size of Japanese investment in many of those countries.

Indonesia was this week's choice of the markets to find its currency under pressure. Yesterday the rupiah was sharply during the week, from 6.5 per cent to nearly 9 per cent.

"Between the Hong Kong and China, officials have a

war chest of some \$200bn to

support the peg, which

means it may be tougher to

break than the others," Mr

Chandler said.

The volatility of the New Zealand dollar continues, following the decision of the central bank to adopt an exchange rate target alongside its inflation target set by statute.

Using a Canadian-style monetary conditions index, the Reserve Bank has seen short-term interest rates rise

6.1 level yesterday, down to

62 cents by December.

Next on the speculator's

list? Mr Marc Chandler, at

Deutsche Morgan Grenfell in

London, said the Hong Kong

dollar has again been under

attack.

Mr Chandler points out

that the Hong Kong dollar

has fallen to its lowest level

of the year. Interest rates in

the former colony have risen

sharply during the week, from

6.5 per cent to nearly 9

per cent.

The New Zealand dollar is

forecast by J.P. Morgan to

depreciate against the US

dollar over the second half of

the year, from its current

6.1 level yesterday, down to

62 cents by December.

Short term rates are set for the US Dollar and Yen, others: two days notice.

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.50 96.49 +0.01 96.51 96.48 7,470 63,335

Dec 96.30 96.30 +0.02 96.32 96.29 6,068 43,842

Mar 96.19 96.19 +0.02 96.20 96.18 2,961 30,931

5 LIBOR interest rates are offered rates for \$10m quoted to the market by four reference banks at 11am each working day. The banks are Bankers Trust, Bank of Tokyo Mitsubishi, Barclays and National Westminster. Mid rates are shown for the domestic Money Rates, US CDs, ECU & SDR United Deposits (SDR).

Source: Ecol

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.53 96.53 +0.02 96.53 96.53 26,021 229,162

Dec 96.44 96.42 +0.02 96.44 96.42 24,216 305,742

Mar 96.31 96.28 +0.02 96.31 96.22 41,321 290,905

Jun 96.09 96.07 +0.02 96.09 96.01 35,162 213,180

Short term rates are set for the US Dollar and Yen, others: two days notice.

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.22 96.22 +0.02 96.23 96.22 2,546

Oct 96.54 96.54 +0.02 96.55 96.54 265

Dec 96.80 96.80 +0.02 96.81 96.80 60

Short term rates are set for the US Dollar and Yen, others: two days notice.

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.22 96.22 +0.02 96.23 96.22 6,114

Dec 96.53 96.53 +0.02 96.54 96.53 33,303

Mar 96.80 96.80 +0.02 96.81 96.80 267,074

Jun 97.38 97.88 +0.01 97.98 97.98 467 7558

Short term rates are set for the US Dollar and Yen, others: two days notice.

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.50 96.50 +0.02 96.51 96.50 119 10799

Dec 96.51 96.50 +0.03 96.51 96.49 51 9424

Mar 96.48 96.48 +0.03 96.48 96.48 1 6074

Jun 95.41 95.41 +0.02 95.42 95.41 322 3522

Short term rates are set for the US Dollar and Yen, others: two days notice.

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.24 96.24 +0.02 96.25 96.24 4,726

Dec 96.55 96.55 +0.02 96.56 96.55 41 2,126

Mar 96.80 96.80 +0.02 96.81 96.80 705 705

Short term rates are set for the US Dollar and Yen, others: two days notice.

Aug 15 Short term

Sett. price Change High Low Est. vol Open Int.

Sep 96.24 96.24 +0.02 96.25 96.24 4,726

Dec 96.55 96.55 +0.02 96.56 96.55 41 2,126

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Aug 15 Short term

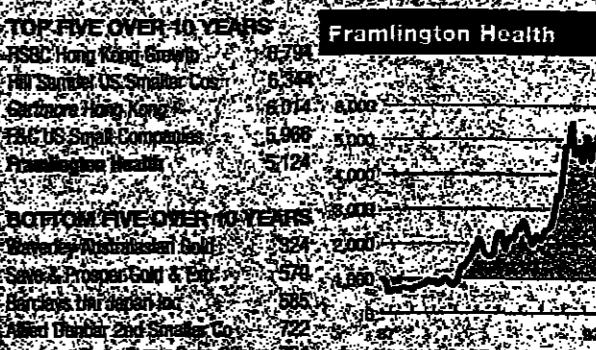
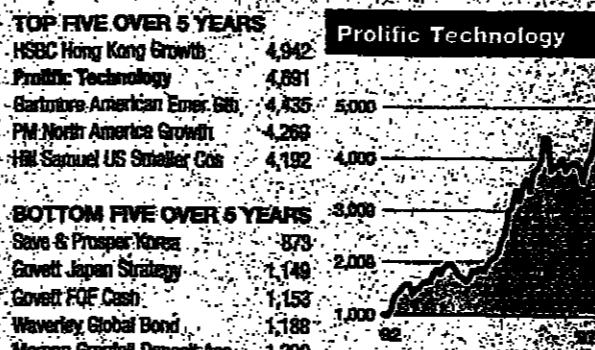
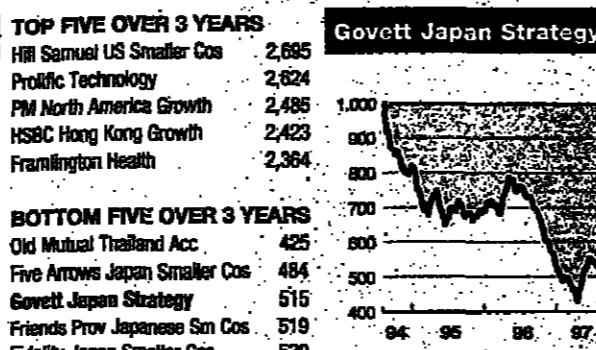
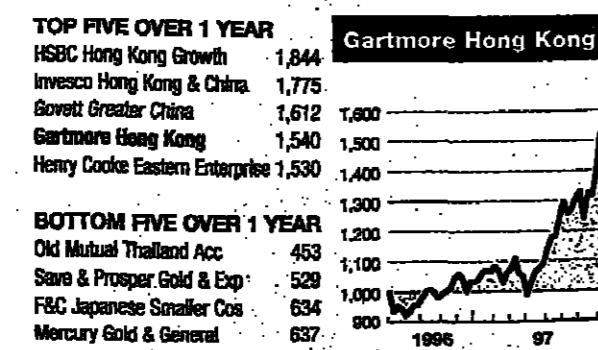
Sett. price Change High Low Est. vol Open Int.

Sep 96.24 96.24 +0.02 96.25 96.24 4,726

Dec 96.55 96.55 +0.02 96.56 96.55 41 2,126

## UNIT TRUSTS

## ■ WINNERS AND LOSERS



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance.

Warning: past performance is not a guide to future performance.

Source: Reuters Hindsight (01625 51131)

**TOP FIVE OVER 1 YEAR**

HSBC Hong Kong Growth	1,844			
Invesco Hong Kong & China	1,775			
Gbett Greater China	1,612	1,600		
Gartmore Hong Kong	1,540	1,500		
Henry Cooke Eastern Enterprise	1,530	1,400		

**TOP FIVE OVER 3 YEARS**

Hill Samuel US Smaller Cos	2,685			
Prolific Technology	2,624			
PM North America Growth	2,485	1,000		
HSBC Hong Kong Growth	2,423	800		
Framlington Health	2,384	800		

**BOTTOM FIVE OVER 3 YEARS**

Old Mutual Thailand Acc	453	1,200		
Sav & Prosper Gold & Exp	529	1,100		
F&C Japanese Smaller Cos	634	1,000		
Mercury Gold & General	637	900		
Schroder Japan Small Cos Acc	639	97		

**BOTTOM FIVE OVER 5 YEARS**

Globe & Prosper Korea	573			
Govett Japan Strategy	516			
Friends Prov Japanese Sm Cos	519	100	94	95
Fidelity Japan Smaller Cos	520	97		

**TOP FIVE OVER 5 YEARS**

HSBC Hong Kong Growth	4,942			
Prolific Technology	4,891			
Gartmore American Emer Gth	4,635	5,000		
PM North America Growth	4,289			
Hill Samuel US Smaller Cos	4,192	4,000		

**BOTTOM FIVE OVER 5 YEARS**

Sav & Prosper Korea	573			
Govett Japan Strategy	516	2,000		
Globe & Prosper Gth	513			
Waverley Global Bond	1,188	1,000		
Morgan Stanley Small Cos Acc	1,200			

**TOP FIVE OVER 10 YEARS**

HSBC Hong Kong Growth	7,074			
Prolific Technology	6,704			
Gartmore American Emer Gth	6,544	6,000		
PM North America Growth	6,289	5,000		
Hill Samuel US Smaller Cos	6,102	4,000		

**BOTTOM FIVE OVER 10 YEARS**

Globe & Prosper Gth	5,774			
Globe & Prosper Gth	5,704			
Globe & Prosper Gth	5,674			
Globe & Prosper Gth	5,644			
Globe & Prosper Gth	5,614			

**TOP FIVE OVER 10 YEARS**

HSBC Hong Kong Growth	7,074			
Prolific Technology	6,704			
Gartmore American Emer Gth	6,544	6,000		
PM North America Growth	6,289	5,000		
Hill Samuel US Smaller Cos	6,102	4,000		

**TOP FIVE OVER 10 YEARS**

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Prolific Technology	6,704			
Gartmore American Emer Gth	6,544	6,000		
PM North America Growth	6,289	5,000		
Hill Samuel US Smaller Cos	6,102	4,000		

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PM North America Growth	6,289	5,000		
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Gartmore American Emer Gth	6,544	6,000		
PM North America Growth	6,289	5,000		
Hill Samuel US Smaller Cos	6,102	4,000		

**TOP FIVE OVER 10 YEARS**

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## **FT MANAGED FUNDS SERVICE**

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

### Authorised and Insurances

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## **FT MANAGED FUNDS SERVICE**

### Insurances, Money Markets and Other

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

SERVICES

Interest payable after allowing for basic rate income tax.



## FT MANAGED FUNDS SERVICE

## Offshore Funds and Insurances

• FT Cityline Unit Test Prices are available over the telephone. Call the FT Cityline Help Desk on (44-171) 873 4444 for more details.

LUXEMBOURG REGULATED <sup>(*)</sup>									
Selling Price									
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Highs &amp; Lows shown on a 52 week basis

## WORLD STOCK MARKETS

NORTH AMERICA										EUROPE										ASIA										
UNITED STATES (Aug 15 / US\$)										UNITED KINGDOM										INDIA										
(4 per close)										FRANCE										CHINA										
AMT	45.15	45.15	45.15	45.15	45.15	45.15	45.15	45.15	45.15	GERMANY	132.12	132.12	132.12	132.12	132.12	132.12	132.12	132.12	132.12	THAILAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
AT&T	34.35	34.35	34.35	34.35	34.35	34.35	34.35	34.35	34.35	IRELAND	52.15	52.15	52.15	52.15	52.15	52.15	52.15	52.15	52.15	NETHERLANDS	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
AOL	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	ITALY	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	21.15	SPAIN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	Portugal	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	Belgium	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	Denmark	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	Finland	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	Germany	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	Spain	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United Kingdom	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWEDEN	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25	United States	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	SWITZERLAND	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
America	12.25	12.25	12.25																											

# US shares plunge at midsession

## AMERICAS

Wall Street was hit with another morning of heavy selling. The Dow Jones Industrial Average lost more than 100 points and all the main indices moved sharply lower, writes John Lohman in New York.

By early afternoon the Dow had fallen 103.58 or 1.3 per cent at 7,883.10. The broader Standard & Poor's 500 index was off 1.04 at 819.73. Technology issues were not spared the selling pressure. The Nasdaq composite index lost 11.23 or 0.71 per cent at 1,575.42.

"It's another Friday in August," said Mr Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette in San Francisco, referring to the Dow's 156-point collapse on the previous Friday.

Mr Miller saw several factors that contributed to the market selling, including the impact of the "double witching" day, in which option holders decide on how to move on their holdings.

The dollar and bond markets also traded lower throughout the morning, adding to pressures on equities, especially in the interest rate sensitive financial sector. The long bond lost 1.57 at 93 1/2, lifting yields to 6.574 per cent. The BAA banking

stock index of the Philadelphia Stock Exchange fell 5.86 at 678.37.

Gillette, the consumer products company, was dragged lower as analysts downgraded the company's stock. Traders shaved \$4.4 or nearly 5 per cent off its shares at \$85.75.

A number of Dow components ran up heavy losses, including Hewlett-Packard, off \$2.75 at 376.75, and Procter & Gamble, which fell 54¢ at \$140.95. Technology issues also came under pressure. Chip maker Intel lost \$2.35 at 95.90. Microsoft also moved lower, falling \$1.75 at \$124.15.

TORONTO fell steeply in the wake of the heavy early sell-off on Wall Street. The 300 composite index was 43.85 lower at 6,723.00 at the noon calculation.

Volume was low and a number of leaders made a fairly resilient start to the session, notably market heavyweight BCE, which was off bare 10 cents at C\$9.50 at the close of morning trade.

Alcan Aluminum gave up 90 cents to C\$50.80 and Seagram lost 45 cents to C\$49.05. Northern Telecom lost C\$240 at C\$137.50.

Gold's stood out against the downturn. Barrick and Placer Dome both added 5 cents, hardening to C\$22.30 and C\$24.30 respectively.

Short-term interest rates soared as concerns mounted that the Hong Kong dollar would come under speculative attack. Brokers said the rates rise sparked frantic profit-taking in the share market after the recent strong run.

Banks and property were the hardest hit. HSBC lost HK\$5.00 to HK\$272.00 and Hang Seng Bank fell HK\$3.00 to HK\$104.50. Sun Hung Kai Properties was off HK\$3.00 to HK\$66.25.

JAKARTA bore the brunt of the region's currency woes with another big sell-off for shares. Foreign investors bought banking issues. Market gains were

# Bourses slide as Wall Street opens bleakly

## EUROPE

Those hours not closed for Assumption day ran for cover as US equities opened in a black mood.

FRANKFURT experienced what one trader described as a "flash fire correction", sliding down through 4,100 for the first time since mid-July as Wall Street ran up losses of 120 points in the first 30 minutes of trading.

Volume was seasonally low throughout the session. The Dax index, which touched 4,067.64 at one stage, rallied modestly towards the close, but sentiment remained seriously dented.

The Dax ended electronic trading on 1,179.4 at an Ibex indicator of 4,077.58.

Chemicals were among the heaviest casualties after a relatively indifferent results season to date, and Volkswagen was noticeably weak ahead of next week's earnings from Novartis.

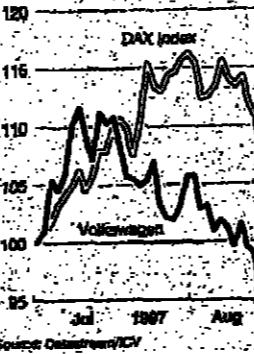
CS Group continued to witt as bearish comment built up around the group's plans to acquire the Winterthur insurance group. CS eased 25 centimes to SF186 to extend its decline since the deal was announced on Monday to almost 11 per cent.

This has reduced the value of the takeover from an initial SF1,525 to less than SF1,360.

"There are some very real worries that Winterthur shareholders will not ratify the deal at next month's extraordinary meeting," said one broker.

## Volkswagen

Share price and Index (rebased)



talk of wider links with Krupp-Hoesch, eased DM10.00 to DM4351.

ZURICH ended 810 lower at 5,498.5 on the SMI index after another bad day for the drugs sector. Novartis came off SF144.00 at SF21.180 and Roche shed SF76.00 to SF13.325.

The latter's six-months results, hit by strong development costs, came in at the bottom of the range of analysts' estimates and were seen as a disappointing precursor to next week's earnings from Novartis.

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Bayer lost DM3.13 at DM70.02 in advance of next week's results.

RWE ran into profit-taking, not helped by a reiterated sell recommendation from HSBC James Capel. The shares, which surged nearly 10 per cent in record volume on Thursday following capital changes, fell back DM2.35 to DM85.15.

Deutsche Bank fell DM2.50 to DM113.75 and Dresdner Bank DM1.68 to DM77.52. Daimler-Benz shed DM6.25 to DM186.85. Thyssen, a strong market lately on persistent

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RWE ran into profit-taking, not helped by a reiterated sell recommendation from HSBC James Capel. The shares, which surged nearly 10 per cent in record volume on Thursday following capital changes, fell back DM2.35 to DM85.15.

Deutsche Bank fell DM2.50 to DM113.75 and Dresdner Bank DM1.68 to DM77.52. Daimler-Benz shed DM6.25 to DM186.85. Thyssen, a strong market lately on persistent

## FTSE Actuaries Share Indices

European series

August 15 National & Regional Index Day's % change points Yield gross % ex div Total return (Exd)

FTSE Eurotop 300 951.91 -1.89 -18.30 2.58 0.00 952.74

FTSE Eurotop 100 223.92 -1.85 -43.79 - - -

FTSE Eurotop 300 Regions 955.23 -2.21 -21.81 3.42 0.00 958.15

300 Ex-UK 949.03 -1.70 1.60 0.02 949.08

300 Eurobloc 945.35 -1.93 -19.21 1.68 0.00 945.41

300 Ex-Euroloc 554.88 -1.81 -17.85 2.67 0.00 557.32

FTSE Eurotop 200 Economic Groups 595.73 -2.58 -25.67 2.50 0.00 593.24

Resource 595.73 -2.25 -22.45 2.03 0.00 592.78

Consumer Goods 524.18 -1.54 -10.20 1.50 0.04 524.34

Finance 547.47 -1.54 -12.25 2.35 0.00 547.39

Utilities 925.21 -1.34 -12.73 3.37 0.00 925.11

Financials 555.71 -1.10 -10.82 2.40 0.00 555.60

Base value 100.000. Source: Intermarket. FTSE and Foster's are registered trade marks of the London Stock Exchange and The Financial Times. "Euro" is a registered trade mark of the Amsterdam Stock Exchange. All series indices are compiled by FTSE International. © FTSE International Limited 1997. All rights reserved. Market data 1997, Austria, Belgium, France, Italy and Spain.

cent to F1 44.30 and ING fell F1 4.20 or 4.4 per cent to F1 50.80.

International companies declined as the dollar eased, with Royal Dutch Petroleum down F1 5.10 or 4.7 per cent to F1 102.50. Philips also fell sharply after recent strong gains, losing 5.3 per cent or F1 8.20 to F1 147.60.

HELSINKI sank in thin volumes as the market focused on Wall Street and the weaker dollar. The HX general index shed 65.13 to 3,510.90, off its low of 3,499.18. Trade was subdued by the holiday season and domestic factors played second fiddle to international issues.

Nokia led the declines, shedding FM9.50 to FM454.50 on the back of the dollar's weakness. The telecoms giant accounted for about 38 per cent of the day's volume.

Forestry shares were also out of favour, with UPM Kymmene losing FM2.90 to FM137.00.

Merita bucked the trend to close FIM5.0 higher at FM23.50, despite being lower for most of the session.

Paris, Milan and Madrid were closed yesterday.

# Currency worries lead Hong Kong steeply lower

## ASIA PACIFIC

Shares in HONG KONG fell steeply on fears that the Hong Kong dollar could become the latest victim of the Asian currency crisis. The Hang Seng index posted its biggest decline in two months, losing 400.83 or 2.4 per cent to 16,996.82.

Short-term interest rates soared as concerns mounted that the Hong Kong dollar would come under speculative attack.

Brokers said the rates rise sparked frantic profit-taking in the share market after the recent strong run.

The Nikkei 225 average rose 103.41 to 19,326.03 after moving between 19,312.73 and 19,465.35.

The market opened sharply higher as investors, encouraged by the dollar's rise, sought semiconductor-related issues and other blue chip exporters. Foreign investors bought banking issues. Market gains were

615.22, a new low for the year and a two-day decline of more than 6 per cent.

Jitters about banks and finance companies with large foreign exchange exposures intensified as the rupee fell a further 4 per cent against the dollar. Bank International Indonesia topped the active list, falling 230 to a low for the year of 21,000.

TOKYO extended its gains on Friday on brisk buying of blue chip exporters and banks, although there was heavy selling of construction shares, writes Gwynn Robins.

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to Y11,900 and TDK Y560 to Y10,400. However, Kyocera fell Y80 to Y9,170.

Banks also continued upward. Long-Term Credit Bank of Japan gained Y14 to Y386. Sakura Glass advanced T\$2.1 to T\$47.2. Computer giant Acer rose T\$4 to T\$88.50, aided by press reports that it had picked up a \$1bn US contract.

SYDNEY ended firmer as shares rebounded from losses earlier in the week, supported by a stronger bond market, positive earnings reports and talk about another cut for interest rates. The All Ordinaries index rose 38.8 or 1.5 per cent to 2,666.2. Big mines were strong performers, reflecting Wall Street's overnight gains. Taiwan Semiconductor rose the day 7 per cent limit to T\$162.

Taiwan Glass advanced T\$2.1 to T\$47.2. Computer giant Acer rose T\$4 to T\$88.50.

Property-related issues mostly fell. Towa Real Estate Development came off Y10 to Y90.

TAIPEI closed sharply higher on news of tax changes. The weighted index rose 138.46 or 1.4 per cent to 9,710.80 after the cabinet approved a tax plan aimed at boosting investment and the economy.

Electronics surged 2.45 per cent as a sector, partly

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## COMPANIES AND FINANCE

Head of gaming at Capital Corporation attempted to exercise options before profits warning

# Director was warned on insider trading

By Scheherazade Daneshku and Robert Wright

The gaming director of Capital Corporation, the casino company, last year persisted in trying to exercise share options while the board was considering warning on profits.

Mr John Dunkley, gaming director, told the company a week before it revealed interim results well below market expectations that he wished to exercise options and management warrants worth almost £800,000. At about the same time, the board was debating whether to warn on the full-year profits outlook alongside the results.

The fall in Capital's pre-tax profits from £11.1m to £7.2m for the six months to July 14 led to a 10 per cent drop in the share price, from 218.5p to 195p, on September 12, the day of the interim results.

A memorandum issued a few days before the results expressed surprise that Mr Dunkley was still attempting to exercise the share options after being told that he was considered to be in possession of insider information. The memo warned Mr Dunkley that insider trading was a criminal offence and could

lead to a prison sentence of seven years.

Mr Dunkley attempted to exercise all his 513,712 share options and a third of his 995,587 management war-

rents. He had gone as far as writing two cheques to a total value of £795,039 to exercise the options and warrants before reselling them. He would have made a £884,899 profit at the closing price on the day of the interim results.

At a board meeting on September 10, at which Mr Dunkley was present, it was decided that a warning on full-year profits should be removed from the draft interim announcement.

The sentence warned that pre-tax profits were unlikely to meet the market's expectations of £16m. Nevertheless, fears over the company's financial performance and controls led the board to decide to extend the "close" period – during which directors may not deal in the company's shares – to the December year-end.

The extension of the close period was decided after an internal review of the company's gaming and financial controls completed in September. Reports commissioned from Deloitte & Touche, the company's auditors, and Price Waterhouse, the accountants, contain numerous criticisms of senior gaming management.

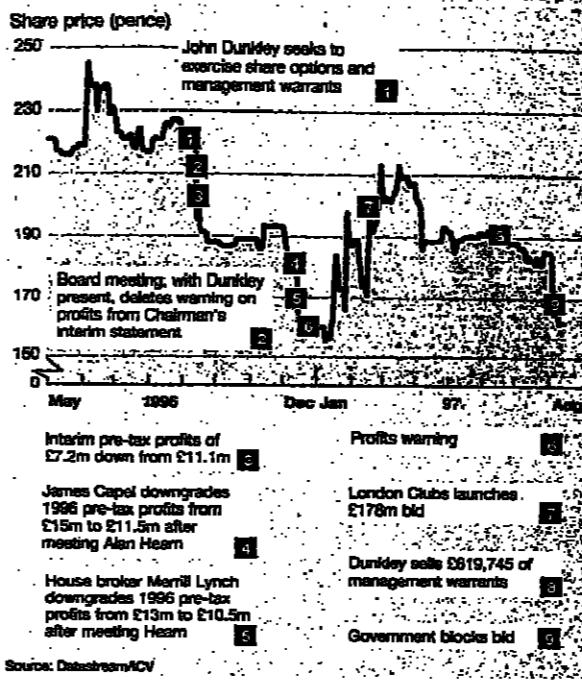
Mr Dunkley, who was appointed gaming director in March 1996, was also criticised by name. Mr Dunkley was on holiday and could not be reached yesterday.

Gamblers at the 'high roller' end of the market can win or lose several million pounds a night and some can run up substantial debts as they do so, write Scheherazade Daneshku and Robert Wright. Bad debts were the subject of discussion at Capital's January board meeting which heard that overall profits for 1996 were dependent on recovering bad debts. Company profits were under pressure after an unexpected shortage of high rollers. Pre-tax profits for the year fell from £13.1m to £9.2m. Bad debts amounted to £1.4m, of which £1.2m was owed by a single high roller.

The player continued to gamble after agreeing to pay back 50 per cent of his wins. This arrangement was superseded by a joint agreement between the player and three companies with casinos in London, including Capital. Under Gaming Board rules it is up to the casino and not an outside debt collection agency to recover bad debts.

The company said yesterday: "We believe our debt recovery is better than the industry average." It said that the single large debt had been incurred several years ago, before the company's new chief executive, chairman and finance director had been appointed.

## Capital Corporation



Source: Datamonitor/ACB

John Dunkley seeks to exercise share options and management warrants

Interim pre-tax profits of £7.2m down from £11.1m

James Capital upgrades 1996 pre-tax profits from £15m to £11.5m after meeting Alan Hearn

House broker Merrill Lynch downgrades 1996 pre-tax profits from £13m to £10.5m after meeting Hearn

Government blocks bid

Roymond Snoddy

## NEWS DIGEST

# Pearson to sell medical publisher

Pearson, the UK media, information and entertainment group, yesterday agreed to sell Churchill Livingstone, its medical publisher, to Harcourt General in a \$32.5m (£25m) cash deal.

Mrs Marjorie Scardino, chief executive of Pearson, explained that Churchill, one of the oldest medical publishers in the world, had been put up for sale because Pearson was not a leading force in the field.

Churchill publishes more than 1,500 books and CD-Roms, including Gray's Anatomy, as well as 70 journals. In 1996, the company generated sales of \$47.5m; net assets at the year-end were \$22.1m.

Boston-based Harcourt General is a sizeable educational and professional publisher through its Harcourt Brace subsidiary. It owns the WB Saunders imprint which publishes medical books and journals.

Mr Peter Warwick, chief executive of Pearson Professional, said yesterday: "We believe our resources can be better deployed in focusing on a smaller number of publishing businesses."

Roymond Snoddy

## Eidos shares drop 19%

Shares in Eidos, the UK computer games company, lost almost a fifth of their value yesterday dropping 19 per cent to 447.5p after newspaper allegations of insider dealing and a doubling of losses for the first quarter.

The company tried to reassure investors, saying that it was unaware of any investigation into its share dealings and that none of the directors had sold any of their holdings. The stock exchange refused to comment on whether or not it was investigating company dealings.

Eidos said its pre-tax losses of £4.9m (£3.2m) for the three months to June 30 were in line with expectations and reflected the cost of developing new games. It said it expected comfortably to meet the higher end of analysts' forecasts for the full year. Dresdner Kleinwort Benson, the company's broker, is forecasting full year pre-tax profits of £16.5m, up from £13.5m last year.

Eidos has been one of the most successful computer games companies with its popular Tomb Raider game. The shares have risen sharply from 300p two years ago to over 1,000p before falling back again.

Market makers attributed yesterday's share price fall, which took place against little trading, to nervousness created by the insider dealing rumours. These were exacerbated by the recent news that Eidos had been dropped by its former auditors, Coopers & Lybrand over corporate governance issues.

Coopers & Lybrand emphasised yesterday that its only concerns had been to do with compliance with the Cadbury code on corporate governance. Eidos said its new auditor KPMG would not have taken on the work if there had been any more serious concerns and added that it intended to take steps to improve corporate governance in future.

Roger Taylor

## Exco halves interim dividend

Exco, the UK money broker, said yesterday it planned to halve its dividend payment after profits were hit by restructuring costs, quieter trading conditions and the high levels of sterling.

The company said it planned to cut its interim dividend from 1.5p to 0.75p and that if trading in the second half of the year did not show a marked improvement there would be a similar reduction in the final dividend which last year had been 3p. The shares closed down 5p at 39p.

Exco said the pound had cost it £2m in the first half reducing expected profits to 7p/m down from 12p/m last year. This would be further reduced by a £2m exceptional cost to cover restructuring. Staff numbers have been reduced by 15% since the beginning of the year, as the company has pulled out of less profitable business lines and closed its offices in Guernsey.

Roger Taylor

## Bunzl in \$88m US investment

Bunzl, the UK paper and packaging group, yesterday announced it planned to acquire Grocery Supply Systems and related US businesses, the latest in the company's buying spree.

Bunzl will pay about \$88m cash for the lossmaking supplier of disposable supermarket products to Unisource Worldwide. The division's sales of more than \$300m last year and net assets of \$60m. Operating losses amounted to \$2.5m in the nine months to June 30.

Mr Anthony Habgood, chairman, said Bunzl was buying a rival distributor, which would be fully integrated – he would not rule out redundancies. He set a profit margin target for GSS of 7 per cent within in three years.

The shares gained 11.5p to 238p, a year high.

Mr Habgood said the purchases of GSS and AFC would raise gearing to 65 per cent, although interest cover would be more than 10 times.

Panmure Gordon, the house broker, forecasts pre-tax profits for 1997 of £117m, earnings per share of 16.5p, rising to £126m for 1998. This compares with £113.5m for 1996.

Sander Thoenes

## Portmeirion shares fall 13%

Shares in Portmeirion Pottery fell 60p, or 13 per cent, to 430p yesterday, after the UK company said the second half would be "difficult" and, as a consequence, "the year as a whole is likely to show little progress over 1996".

Kleinwort Benson, house broker, downgraded its full-year forecast from £7m to £6.4m pre-tax; the same as last year's figure.

The company also announced results for the half year to the end of June. Sales rose 6 per cent to £16.2m, helped by a 21 per cent rise in the US on the back of a "celebratory event" to mark the 25th anniversary of the premises Botanic Garden pattern.

Pre-tax profits were up 9 per cent to £2.75m and an unchanged interim dividend of 3.5p was declared.

## Slug and Lettuce 'strides' on

Grosvenor Inns, the UK pub operator, yesterday announced full-year results with news that it had exchanged contracts for the sale of its wine bars, as part of the strategy "to focus exclusively" on The Slug and Lettuce brand.

Mr Tim Thwaites, chairman, said that these disposals were on target. The established Slug and Lettuce outlets had continued to "stride forward" in a "very buoyant" market.

Turnover rose 25 per cent to £23.6m, or 21 per cent on a like-for-like basis. Operating profits rose 16 per cent to £2.85m, but the pre-tax line was reduced to £8.7m (£2.6m) after an exceptional charge of £1.2m for the sale in March of the Bar Central restaurants at a discount to book value.

The shares fall 13.5p to 155p.

The wine bars are being sold to a consortium led by Mr Gerry Harratty, tavern general manager, and including Mr Colin Herridge and Mr Roger Looker, non-executive directors, for £1.5m cash.

Mr Thwaites said that in line with the reduction in the size of the estate, the board and head office operation would both be restructured. Accordingly, the resignation of Mr Herridge, Mr Looker and Mr David Bruce would be proposed at the annual meeting. All three intend to retain their "substantial" stakes in Grosvenor.

# Flextech losses reduced as revenues jump

By David Blackwell

Flextech, the expanding UK media group that in March announced a joint venture with the BBC, cut operating losses by 44 per cent to £4.7m (£7.7m) before exceptional items for the six months to June 30.

For all of last year the group, which supplies programmes to both cable and satellite broadcasters, incurred a pre-exceptional loss of £13.5m.



Sam Chisholm: increased profits would be 'spectacular'

## BSkyB dishes up 22% growth

By Raymond Snoddy

British Sky Broadcasting, the UK satellite television group, yesterday announced record pre-tax profits of £31.4m (£8.11m) for the year to June 30, up 22 per cent.

Excluding a depreciation write-back of £7.5m and a £1m payment from British Digital Broadcasting, the profits were at the lower end of expectations and the share fell 35p to 487p.

Analysts were also concerned at the possible impact on short-term profit growth of heavy investment in the launch of up to 200 channels of digital satellite television next spring, plus interactive services such as home shopping and banking.

BSkyB, in which Mr Rupert Murdoch's News Corporation has a 40 per cent stake, suggested it would be a "spectacular" performance to maintain profits. Later, Mr Sam Chisholm, chief executive, said he expected existing profit levels to be maintained but that it would be "spectacular" to

would give the group access to the quality programmes it needed to drive the business forward. "A good native programme is always going to beat an imported one", said Mr Luard.

The group – 36 per cent owned by TCI International, part of the US cable-TV group – incurred costs of £5m on the launch of Troublemaker channel, aimed at 10-24 year olds, and the repositioning of Bravo channel, now aimed at a 34-plus male

audience. Trouble attracted a 23 per cent increase in viewers, and a consequent rise in advertisers.

A £1.6m charge covered the launch of Challenge TV, with interactive game show elements that had generated more than 750,000 telephone calls. This made it an attractive proposition for cable companies, Mr Luard said.

The exceptions were partly offset by gains on disposals. Pre-tax losses, after £3.45m exceptional charges,

were £5.1m, against £12m, including exceptions of £4m. Losses per share fell to 3.85p (10.04p).

### COMMENT

The underlying figures showed good progress from an extremely active group.

Flextech's health is linked to the growth of multi-channel viewing in the UK. With a 25 per cent viewing share of basic channels, the group is in a strong position. It is difficult to argue with its con-

tention that its share will rise further with the launch of the eight proposed joint venture channels with the BBC. In addition, it will be offering four channels through digital television when it is launched next year. The shares closed down 5p at £335 yesterday, well below the 12-month high of more than 800p. Pre-exceptional losses look like being 26p for the full year, but the following 12 months should see profits.

Some directors questioned why Deloitte & Touche had

apparently failed to examine internal gaming controls until evidence of collusion between a player and some members of staff highlighted weak controls in that area.

Deloitte & Touche warned that they might have to qualify the 1996 accounts if controls remained inadequate.

Deloitte & Touche said that Capital had continued to propose Deloitte as auditors, a decision which had been confirmed by shareholders.

Some directors questioned why Deloitte & Touche had

## Loss doubles at General Cable

By David Blackwell

Interim losses doubled to £2.5m (£41m) at General Cable, the UK's fourth biggest cable company, as the number of customers dropping its television service increased sharply.

However, this was offset by a 27 per cent rise to 187,700 subscribers for residential telephones and a 53 per cent increase in the number of business exchange lines.

The French controlled group – Générale des Eaux, now aimed at a 34-plus male

audience, holds a 38 per cent stake – said that operating cash flow had trebled to £29.16m in the six months to June 30, while turnover rose by half to £64.4m (£42.8m).

Sir Anthony Cleaver, chairman, said the company continued to make "good progress". But he again criticised the high programming cost of providing the television service.

"We are currently constrained by the inflexibility of our basic channel offer imposed on us by our suppli-

ers and by the extremely high cost of premium channels supplied to us by BSkyB," he said.

The churn rate in cable television rose from 23 to 37 per cent in the period. The group said that 7 percentage points were accounted for by telephone subscribers who had been offered free television when they signed up.

Market penetration for television was slightly down at 22 per cent, compared with 23 per cent last time.

The group has now completed 64 per cent of its net-

work, and will be spending a further £200m on completing the network by the turn of the century.

The telecommunications arm of the group generated 72 per cent of total revenues and 83 per cent of gross profits.

The group said that good progress had been made on integrating Imminus, the data networking group acquired in March for £33m, and trading results

## COMPANIES AND FINANCE

## CalEnergy hostile bid for NYSEG fails

By John Lafferty in New York

CalEnergy, the US power group yesterday abandoned its hostile takeover bid for one of New York's leading power utilities after failing to win the support of investors.

The Omaha-based generator said it had failed to secure tenders on the 5.5m shares needed to take a target stake in New York State Electric & Gas (NYSEG).

The tender offer, which would have raised CalEnergy's holding in NYSEG to 9.8 per cent, was the

company's first step in the planned takeover of the utility. A state of more than 9.8 per cent would have triggered a regulatory review.

"The shareholders have made their decision and we respect that," said Mr David Sokol, chairman and chief executive of CalEnergy. He said the company would pursue other opportunities.

"We'll be selling our shares," he added.

Last month's bid, made in two parts, was priced at \$24.50 a share for the tender offer and \$27.50 for

the remaining shares in the event of clearance to take over the utility. The bid valued NYSEG at \$1.9bn.

CalEnergy had set midnight on Thursday as the deadline for NYSEG shareholders to tender their shares at \$24.50.

An adviser to some NYSEG investors said CalEnergy's two-tier approach had probably caused the bid to fail.

"The shareholders thought they were getting cheated and they were confused," said Mr G. Thomas Tranter, a vice-president at First

Albany. "Most shareholders turned it down because they thought they could get a little bit more," Mr Tranter added.

Institutional shareholders, which Mr Sokol had met, also failed to step up to the CalEnergy offer.

The tender deal was also hurt by a rally in NYSEG's share price, which climbed nearly 20 per cent during the offer.

In early afternoon yesterday, the shares were trading at \$25. CalEnergy's shares, meanwhile, gained 5% to \$35%.

CalEnergy's hostile bid was strongly opposed by the board of NYSEG, which fought it with an advertising campaign and court action.

The board advised its shareholders to reject the tender offer on the grounds it was below the utility's value.

It also filed a lawsuit claiming that CalEnergy had "improperly used confidential information".

On Thursday, a US district judge in Manhattan rejected NYSEG's attempt to block the tender offer, allowing it to proceed.

## INTERNATIONAL NEWS DIGEST

## Delta chooses outsider as chief

Delta Air Lines, the third biggest US carrier, yesterday ended a three-month search for a new chief executive by announcing the appointment of Mr Leo Mullin, vice-chairman of Unicom, a Chicago-based electricity utility, to the job. It is the first time Delta has chosen a chief executive from outside the company.

The position was vacant in May when Delta's board ended our Mr Ron Allen, who had held the top job for 10 years. Mr Allen, 55, initiated a swinging cost-cutting plan that involved 15,000 job losses. This improved profitability but drew criticism that employee morale and customer service had suffered. Mr Mullin, 54, worked as a strategic planner for Conrail, the freight railway, and as president of First Chicago, the bank, before joining Unicom.

Delta also announced that Mr Gerald Grinstein, the board member who headed the search for a new chief executive, would become non-executive chairman. Mr Grinstein said he would not be involved in the company's day-to-day business.

Richard Tomkins, New York

## ■ BRAZIL

## State to cut Petrobras stake

The Brazilian government is to reduce its stake in Petrobras, the state-owned oil and gas company, to just above 50 per cent in a move which could result in a sale of shares worth more than \$5bn.

Mr Antônio Kandir, planning minister, said the government planned to sell 31.7 per cent of the company's ordinary shares and 8.2 per cent of the preference shares of Petrobras, equivalent to 22.3 per cent of its capital. He said the value of the shares was around R\$6.6bn.

The government has not yet decided when or how the shares will be sold, but will soon hire an investment bank to examine possible sale models. Brazil has embarked on a massive privatisation programme, including the sale of its telecoms and energy sectors. However, because of the political sensitivity of the oil industry, Mr Fernando Henrique Cardoso, Brazil president, has ruled out privatising Petrobras.

Congress, however, recently approved a law which ends SSAB's monopoly of the oil and gas sectors, permits foreign companies to invest in the industries and establishes an independent regulator. In a separate announcement, Mr Kandir said that Brazilian pension funds would be limited to taking a 25 per cent stake in future privatisations.

Geoff Dyer, São Paulo

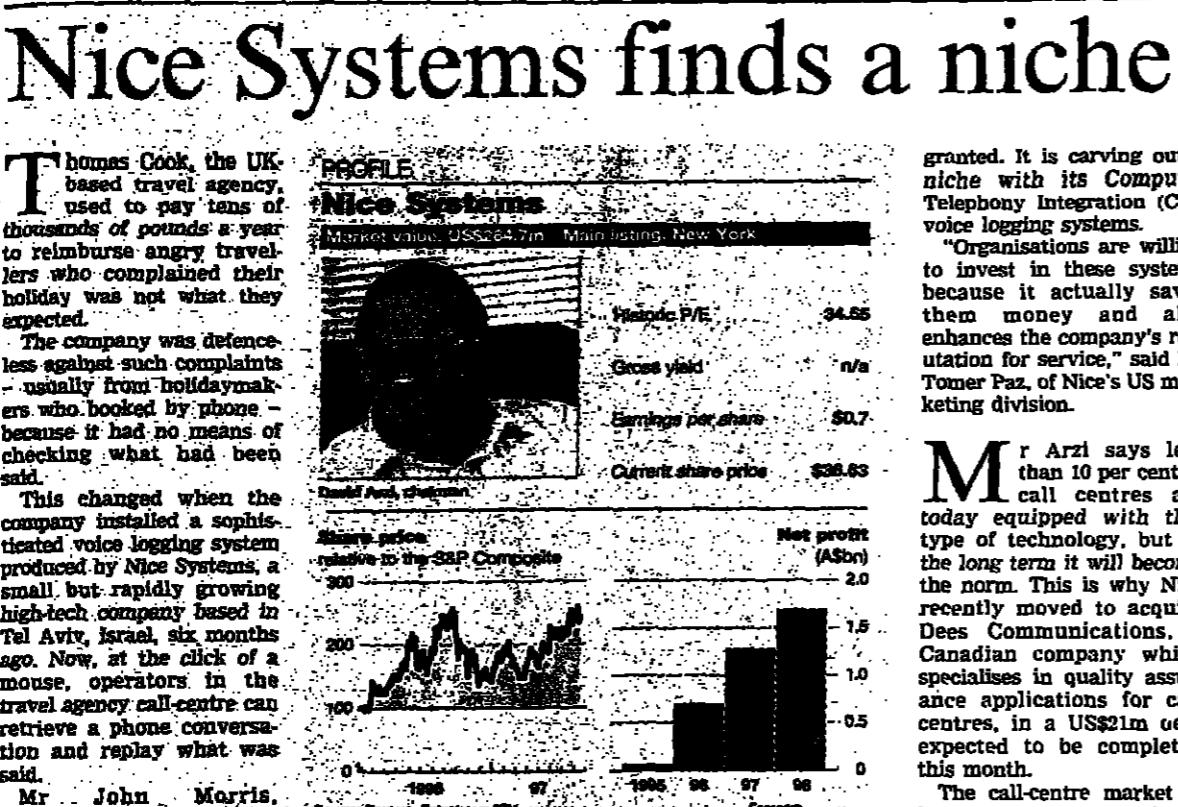
## ■ SOUTH KOREA

## Ssangyong trims losses

Ssangyong Motor, South Korea's fourth-largest carmaker, yesterday reported net losses fell to Won64.2bn (\$71.7m) during the first half from Won89.7bn a year ago. Sales rose by 8 per cent to Won71.8bn. Domestic sales fell 4 per cent because of sluggish demand for its commercial trucks and buses, while exports – mainly of four-wheel-drive vehicles – grew by 19 per cent.

Analysts said losses declined as Ssangyong approached the end of large capital investments associated with the production of its first passenger car model, scheduled for launch in October. Earnings also benefited from the sale of property assets as the company restructures to reduce its high debt burden.

John Burton, Seoul



## SSAB signals recovery in steel prices

By Tim Burt in Stockholm

SSAB, the Swedish steel group, yesterday signalled a revival in European steel prices after pushing through increases of up to 6 per cent in the first half of the year.

That contributed to reduced earnings per share of SKr5.9 against SKr3.3.

Nevertheless, the results were slightly ahead of most analysts' expectations and several expressed relief that profits in the second quarter had recovered to SKr605m achieved in the first.

Mr Leif Gustafsson, SSAB president, said: "Demand for steel in western Europe has increased during the second quarter and is expected to continue to increase somewhat further during the rest of the year.

Those improved market conditions are now being reflected in our results."

In spite of his bullish outlook, SSAB's most-traded A shares yesterday fell SKr5 to SKr164 after the group reported a sharp fall in pre-tax profits in the six months to June 30.

SSAB saw pre-tax profits decline 27 per cent, from SKr1.49bn to SKr1.08bn (\$134m), on lower sales of SKr6.97bn, compared with SKr8.97bn, in the first half.

Mr Gustafsson blamed the decline on increased process

ing costs and volatile prices which – in spite of increases in recent months – were still 4 per cent lower than at the same stage last year.

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## FT/S&amp;P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International Limited, Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices.

## NATIONAL AND REGIONAL MARKETS

	THURSDAY AUGUST 14 1997				WEDNESDAY AUGUST 13 1997				DOLLAR INDEX			
	US	Day's	Local	Local	US	Day's	Local	Local	US	Day's	Local	Year
	Dollar	Change	Yen	Yen	Dollar	Dollar	Yen	Yen	Dollar	Dollar	Yen	Index
	Index	%	Index	Index	Index	Index	Index	Index	Index	Index	Index	Index
Australia (76)	229.94	0.1	214.84	220.69	0.1	3.70	229.76	216.55	167.79	205.55	243.87	198.89
Austria (25)	193.03	-2.4	180.36	185.27	185.15	-1.6	197.19	183.82	144.44	188.38	197.20	178.69
Belgium (26)	238.84	-0.2	222.16	227.88	223.44	0.6	238.40	224.80	174.79	222.22	261.11	213.63
Brasil (30)	268.70	0.3	257.67	275.16	275.11	-0.3	268.52	268.17	206.70	272.19	271.55	177.48
Canada (125)	216.89	-0.4	201.25	207.88	217.97	-0.5	1.65	217.21	203.78	159.59	206.85	216.93
Denmark (22)	382.15	-1.8	358.05	366.05	366.17	-1.9	382.15	366.05	288.00	366.17	382.15	316.11
Finland (21)	222.78	-0.2	208.13	213.79	213.79	-0.1	222.78	210.87	163.87	217.49	227.37	187.50
France (50)	222.78	-0.2	208.13	213.79	213.79	-0.1	222.78	210.87	163.87	217.49	227.37	187.50
Germany (59)	227.09	-1.8	212.18	218.23	217.95	-1.0	227.09	212.18	161.79	220.13	238.42	172.93
Hong Kong, China (55)	558.65	-0.2	531.21	543.76	545.78	0.6	558.65	531.21	343.96	545.78	568.65	421.41
Indonesia (27)	188.53	-8.9	178.15	140.49	180.94	-2.3	202.42	189.91	147.79	192.75	209.57	186.09
Ireland (17)	376.16	-0.5	351.45	360.31	361.02	0.5	376.16	351.02	273.25	366.33	364.40	316.38
Italy (83)	192.09	-0.4	180.27	192.17	192.17	-0.1	192.09	180.27	120.15	192.17	192.17	161.25
Malta (107)	400.97	-0.4	374.84	388.80	388.83	-0.1	400.97	374.84	259.49	388.83	426.31	364.58
Mexico (27)	1787.09	-0.2	1678.08	1724.78	1724.78	-0.5	1787.09	1678.21	1300.15	1707.39	1825.93	1356.59
Netherlands (16)	403.89	-0.2	377.36	300.88	387.84	-0.4	2.04	403				





Rallying Cry

'We have men of the City engaged in globalisation in a more entertaining context than a strategy statement'

Page X



Grapes of Wrath

'Our charming hostess on Martha's Vineyard even apologised for the behaviour of her neighbours'

Page XVI



Paying for Prayer

'Great churches and cathedrals are bulging with crowds so dense that they are destroying what they came to see'

Page XXII

# The Wasp takes flight

The White Anglo-Saxon Protestant is on the defensive, looking so uncool next to more vibrant cultures. But Peter Aspden believes groovy prime ministers and changes in airline liveries are signs that the Wasp has not lost the plot

For much of the past 200 years, White Anglo-Saxon Protestants have ruled the world. We may have moved from the stiff upper lip and quiet formality of the British Empire to the breezy, slack-jawed confidence of the American era; from Victorian rectitude to in-your-face bluster. But one way or another, Wasp culture, Wasp money, Wasp morals have dominated, and continue to dominate, the globe.

As we move towards the end of the millennium, there is much talk of the global community and the glorious diversity of nations. But the world speaks English; the values of its leading institutions are rooted in the classical and Christian traditions.

White privilege is so commonplace, so taken for granted, that it can be virtually imperceptible to those so blessed; it acts, in the words of sociologist Peggy McIntosh, "like an invisible weightless knapsack of special provisions, assurances, tools, maps, guides, codebooks, passports, visas, clothes, compass, emergency gear and blank cheques".

But there is today a falter in the confident stride of the Wasp. Both in the US and Britain, to be white and Anglo-Saxon is to be on the defensive – from the new orthodoxies of political correctness, from scathing critiques of colonial-imperialism, from the vibrant cultures of ethnic minorities which have shifted the mainstream.

Multiculturalism is applauded and encouraged on both sides of the Atlantic, leading to a siege mentality among unquestioning defenders of Wasp values. White self-consciousness is prominent among intellectuals, leading to head-splashing analyses of cultural trends. Here is a typically tortured piece of conjecture from an academic discussing *Aliens*, an innocuous sci-fi film: "If Ripley [the lead character played by Sigourney Weaver] is the prototypical, upper-middle-class Wasp, the alien queen bears a suspicious resemblance to a favourite scapegoat of the Reagan/Bush era – the black welfare mother, that parasite on the economy whose uncured reproductive drive reduced hard-working taxpayers to bankruptcy."

It is only to be expected that many of the excesses of anti-Wasp sentiment should originate in the US, a country whose very constitution provides expression for minority rights and liberties.

But even in the more placid climate of Britain, an unprecedented soul-searching is taking place. A flurry of recent books has questioned the notion of British or English identity. "Our cultural insecurities and self-doubt are evident and, in this weakened state of morale, we have been particularly vulnerable to the homogenising tendency of Europe," lamented Clive Aslet in *Anyone for England?*

The bathetic opening sentence of Pete Davies' *This England* also expressed a sense of unease as to the



real state of the nation: "This England is the eerie, water-sculpted beauty of the grits and clints in the limestone pavements on the tops of the Dales, and it's the thoughtless git who leaves their crisp packets wedged and fading in between them."

Could it be that, in responding to the challenge of multiculturalism, the massive hype which lauded the revival of "swinging London" last year was a perfect example of the confusion; among the evidence presented for the capital city's global supremacy was its varied culinary delights (none of them British), its stimulating dance and rave

executive of the School Curriculum and Assessment Authority; white children in Britain "seem like cultural ghosts, haunting an absence the richly decorated corridors of multicultural society".

If this is not true, it should come as no surprise. The massive hype which lauded the revival of "swinging London" last year was a perfect example of the confusion; among the evidence presented for the capital city's global supremacy was its varied culinary delights (none of them British), its stimulating dance and rave

culture (of Afro-Caribbean origin), its stylish cafés (serving Italian drinks), its fashion guru (who runs off to France at the earliest opportunity), and its movies (frequently financed by foreign money).

The vibrancy of American culture, too, is much associated with the exotic appeal of "other" peoples: black music, Jewish humour and literature, Italian and Asian gastronomy.

In *White*, a study of race and culture published last month, Richard Dyer, a professor of film studies at Warwick University, seeks the

identifying features of whiteness. His conclusions help explain why it is so uncool to be Caucasian, characterising whites as "taut, tight, rigid, upright, straight [not curved], on the beat [not syncopated], controlled and controlling". All qualities which are fine and dandy when you are running an empire, but which suddenly look horribly unfashionable in the postmodern, cosmopolitan, hang-loose-and-chill-out 1990s.

Intriguingly, whites are now subjected to the type of racial stereotyping which used to be directed towards

the rest of the world. In hip black culture, whites are depicted as lacking soul or spirituality, suffering from a low sex drive, being manipulative, and having lost touch with their basic human drives and needs through intellectual over-refinement and puritanism (characteristics which respectively mirror the west's classical and Christian background).

But that, says Dyer, is just a stereotype, a portrayal of extreme whiteness; what has prompted the backlash against Wasp supremacy is a more subtle attitude, born of centuries of white hegemony: the feeling that "whites are the one particular group that can take up the non-particular position of ordinariness, the position that claims to speak for and embody the commonality of humanity". But ironically, it is that very sense of ordinariness which today threatens Wasp identity as it is engulfed by more distinctive cultures.

□ □ □

One might say it was ever thus. The very notion of firmly fixed Wasp values is historically controversial. Neither Britain nor America, after all, has suddenly become a melting-pot society.

In the British Museum's newly opened galleries on Bronze Age, Celtic and Roman Britain, there is plenty of evidence of the country's earliest multicultural experiments: drinking vessels from Italy (wine and olive oil actually became fashionable in Britain in the 1st century BC, not the 1980s); tombstones of prominent Athenians, Syrians and Algerians; a small jar depicting the head of a black boy.

To look for an indigenous Anglo-Saxon character, we have to turn back to before the Roman invasion, to the "old, easy-going Nordic character", as described by G.M. Trevelyan in his *A Shortened History of England*, evidently a simple sort of fellow.

Not for him the wiles and complexities of Greek and Roman culture. The worship of Odin and Thor, the religion common to primitive Anglo-Saxons and Scandinavians, was pre-eminently a religion of laymen and warriors: a religion, according to Trevelyan, "of high-hearted gentlemen, not overburdened with brains or troubled by their own souls".

English heathenism was also strikingly tolerant – there is no record of missionaries being martyred during their quest to convert Anglo-Saxons to Christianity. Both Roman and later Christian cultural influences were easily absorbed.

Is there not an echo, in this portrayal of Britain's distant ancestors, of the no-nonsense pragmatism and flexibility of the modern British character?

The idea that the very essence of the Anglo-Saxon temperament is its tolerance, humility and readiness to take on other ideas – a claim which would have been difficult to make, if not laughable, while Britain was busy conquering the world – is gaining currency in the changed circumstances of the century's end.

A prime example comes from business: the recent debate over the change in the livery of British Airways, from its traditional

Union flag-inspired design to the new "world image" tail fins painted in 50 different designs from all over the globe. This change produced greater agitation at last month's BA annual meeting than the recent cabin crew strike which resulted in the company losing tens of millions of pounds.

BA, in classic corporate speak, says the new livery aims to celebrate and unite the communities it serves. But the company responsible for the re-design, the identity consultants Newell and Sorrell, says a profound realignment is taking place beneath the rhetoric. Its consumer research showed that foreign travellers associated

Are Wasp values slowly disappearing from the very countries in which they flowered?

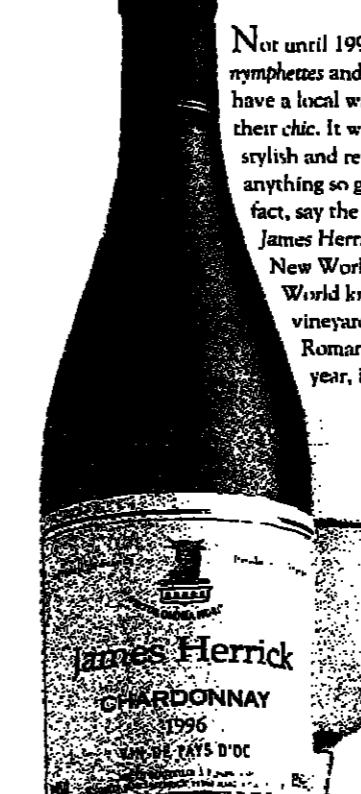
BA's strengths and weaknesses with those of Britain itself: the company was perceived as safe, professional, reliable; but also stiff, aloof, middle-aged, pompous and cold.

"BA had to decide whether it was a British airline or an increasingly global reach or an airline of the world, for the world," says Piers Schmidt, a director of Newell and Sorrell. "The idea of an aeroplane landing with its Union flag colours was a way of beating our breast saying, 'Here we are, we are British,' like a dog marking out its territory. But in many nations that is considered arrogant."

Schmidt says that the changes in BA's corporate identity could be a template for a new image for Britain. "In the globalised market," he says, "anyone for England?"

At last the South of France has the wine to match its women and song.

Not until 1992 did the famous syphantes and chateaues of the Midi have a local wine to complement their chic. It was fresh and spicy, yet stylish and refined – but could anything so good stay as good? In fact, say the critics, it got better as James Herrick refined his blend of New World technology and Old World know-how in Languedoc vineyards first used by the Romans. The result, this year, is a triumph: a wine good enough to provoke an impromptu rendering of *Sur le pont d'Avignon*.



James Herrick  
CHARDONNAY

AVAILABLE COUNTRYWIDE FROM ASTA, BURGESS, DUTTON LTD, THE COOPERATIVE, MURDOCHS, SAGE, SELFRIDGE, SPAR, TESCO, THREACHER, UNIGRAN, VICTORIA WINE, WAITROSE, WINE CELLAR, WINE RACK, WAXWHAUSE

This week's contents and columnists

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Joe Rogaly

The North South Divide  
*'Sinn Féin would consider transitional arrangements. South Africa is the supposed model'*

Page III

True Fiction

Party Poopers  
*'To haul ourselves back from the brink of extinction, we must acknowledge how awful we are'*

Page XXII

## PERSPECTIVES

I wanted to get out of London. I wanted to live and work in the same place. I wanted my children to feel the grass under their feet," says Tessa Strickland, a youthful 39-year-old with a successful career in mainstream London publishing under her belt. And she has achieved what she wanted. In 1993, she set up Barefoot Books to publish children's books from a farmhouse in the south Cotswolds.

After a hairy three years, Barefoot Books seems to have turned a corner, with turnover in 1996 exceeding £1m for the first time and a profit of over £200,000.

Barefoot Books is the story of two mothers - between them they have seven children under 10 - who were determined to show that they could develop a small business independent of their husbands while continuing to devote themselves to their homes and children.

Strickland, after graduating from Cambridge in Classics and spending a year in Japan teaching English, became a publishing executive with Penguin Books, and then editorial director of Rider Books. During this time she had three children and discovered how hard it was to find good books for them.

As did Nancy Traversy, a 36-year-old Canadian with a background in accountancy, design and management consultancy, whom Strickland met socially in 1992 when she was looking for advice on how to set up her own books project.

They decided to become partners, with Traversy based in London and handling the financial side and Strickland moving to the country.

Strickland's idea was to concentrate on high-quality editions of myths, legends and folk tales for children, which would also be stimulating for parents to read aloud. The books would be well-produced and beautifully illustrated. The stories would be trans-cultural and would encompass the wisdom of traditional societies.

The company was launched in autumn 1993. Although that was the year the Business Expansion Scheme - which gave a tax break to investments held for more than five years - was abolished, Strickland and Traversy just got in under the ceiling. They raised £108,000, without great difficulty, from two dozen people known to them.

At this stage, they had the vital support in New York of Sam Bercholz of the respected publishing house Shambala Books, an old friend who had told Strickland that he would take Barefoot's books on to his American list.

However, this turned out to be the first of various disappointments. The relationship with Shambala collapsed principally because the American partner was inexperienced in distributing children's books.

Shambala had been due to take the larger share of the copies of the first eight Barefoot titles. A joint series of miniature format classics with the New York company was a flop, and in autumn 1994 Shambala pulled out. Barefoot Books faced a crisis.

But the two women had been learning fast. Their original strategy had been to rely on sub-contractors; this



Tessa Strickland: adopted the mantra 'Print low, and print often'

### Minding Your Own Business

## A fairy tale with a happy ending

A publisher of fables had to reverse its strategy, says J.D.F. Jones

would be reversed. They had to concentrate above all on cost control - to take control of everything themselves, and avoid freelance consultants who were not overly concerned to keep costs low.

Since they took back control of production, administration, marketing, distribution and PR, overheads are up by 80 per cent but turnover has quadrupled. Costs per page have been reduced.

Part of the reason was a move into mail-order sales. Another has been the emphasis on co-production projects with international partners, which now account for 75-80 per cent of income and have the advantage that they do not incur returns: the relevant partner commits itself to take a specific print-run. Yet another is the adoption of the mantra of well-known publisher Anthony Cheathem: "Print low and print often."

They took themselves off to book fairs in the US and Bologna, and effectively sold themselves.

Today, Strickland and Traversy hold 26 per cent of

the shares between them, as publisher and managing director respectively. One other investor holds 25 per cent. There are five full-time employees.

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Nowadays they print in Belgium, Hong Kong and Singapore, and the books have been translated into French, German, Japanese, Swedish, Danish, Slovenian, Polish and Japanese. There was, as expected, a loss in the first two years - of £70,000 in 1993 and £40,000 in 1994. In 1995, the company broke even; 1996 saw a profit of over £200,000, though it is relevant that Traversy only took a salary last year.

There has been a widening of focus - there are now (delightful) little books for toddlers, and anthologies for the under-fives, to set beside the final book of the late Laurens van der Post, an African myth for children called *The Secret River*.

Strickland and Traversy seem to be getting the formula right. *Mother and Daughter Tales*, for instance, has sold more than 50,000 copies. *The Barefoot Book of Goddesses* has sold more than 70,000. Barefoot is publishing 20-25 books a year but Strickland thinks she would like to cut back to about 15 new books while maintaining the backlist.

Thanks to e-mail and the internet, they are able to operate at arm's length and are certainly not reliant on London. Traversy may operate from Highbury Fields but she plans to work out of her new house in France.

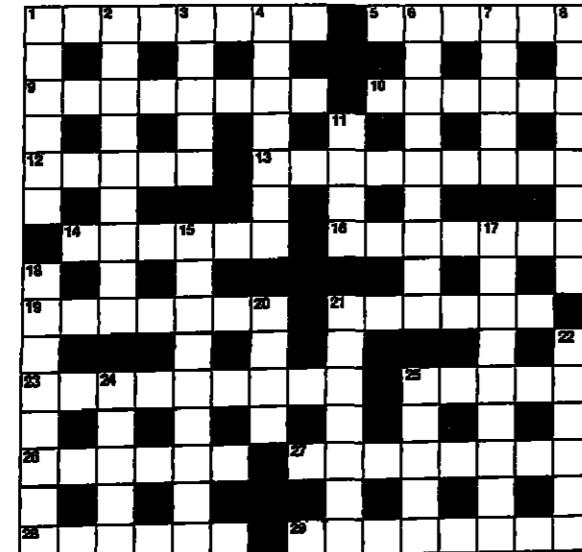
"We want to stay a cottage industry. We want to stay in our homes," says Strickland, speaking in her ancient farmhouse in the rolling hills between Bath and Bristol, surrounded by cats and children and parcels of crisp new books. You can see her point.

■ Barefoot Books Ltd, Beach Farm House, Wick, Bristol, BS15 3RW; tel: 0117-328885.

### CROSSWORD

#### No. 9,455 Set by CINEPHILE

A prize of a classic Pelikan Souvenir 800 fountain pen for the first correct solution and four runner-up prizes of Pelikan M200 fountain pens. Solutions by Wednesday August 27, marked Crossword 9,455 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday August 30. Please allow 28 days for delivery of prizes.



WINNERS 9,442: Mrs K. Bole, Howe, Sussex; C.M. Betterton, London SE12; P. Gleeson, Sutton, Surrey; N. Huppell, Hepple, Lancashire; Miss B. Mitchell, Southwold, Suffolk.



### PERSPECTIVES

#### The Nature of Things

## Haunting beauty of windswept Mars

Clive Cookson looks at what Nasa's Pathfinder mission to the dusty, red planet has achieved

For six weeks Sojourner, the little six-wheeled rover, has been trundling slowly around a long-dry flood plane on Mars, analysing greyish rocks strewn across the dusty red soil. Sojourner and its mother ship, the Pathfinder lander, have kept going well beyond the call of duty - Nasa, the US space agency, had scheduled the mission to last just one month - and they continue to transmit graphic photographs and scientific observations back to Earth.

Admittedly, there has been nothing for the sensation seeking - no signs of Martian life, past or present, and no astonishing new materials or geological formations. But the mission has provided a mass of data for scientists to mine, and some of the colour images are startlingly beautiful.

Just before dawn, wispy white clouds, tinged with orange, move slowly overhead across a salmon pink sky. The clouds evaporate quickly as the white sun - smaller than on Earth - rises through the brightening red sky. The evening light is violet as the sun sets behind a range of rocky hills, trailing a balloon-shaped glow.

Incidentally, all these pictures can be viewed via the internet. Go to the Pathfinder web page [www.jpl.nasa.gov/marsnews](http://www.jpl.nasa.gov/marsnews). You will not be alone: Nasa says the Pathfinder mission is the biggest event in cyberspace history so far, with 600m internet "hits".

Sojourner has endured wild swings in temperature. The thin atmosphere is about -75°C at night. By noon, it has warmed up to -10°C, while the dusty soil reaches a comfortable 30°C. Some of the changes are extremely rapid; the air temperature can rise by 20°C within a few minutes as a warm eddy rises off the surface.

Pathfinder's windscreens show that gentle breezes blow most of the time, at speeds below 15 miles an hour. But the weather station has also detected what seems to have been a whirlwind or dust devil: it recorded a sudden gust of wind accompanied by a steep dip in atmospheric pressure and followed by a gust from the opposite direction.

The station is likely to experience more ferocious winds if it can keep going for a few more months. Nasa meteorologists hope to monitor the global dust storms that sometimes engulf Mars around November.

The main focus of the mission, however, has been geology rather than meteorology. Sojourner carries an instrument called an alpha proton x-ray spectrometer, which gives a rough idea of the chemical composition of

the Martian soil and rocks but cannot carry out a full-scale laboratory analysis.

As expected, the rocks and soil seem to be composed mainly of silicate minerals similar to those on Earth. The rusty colouring is due to oxidised iron compounds.

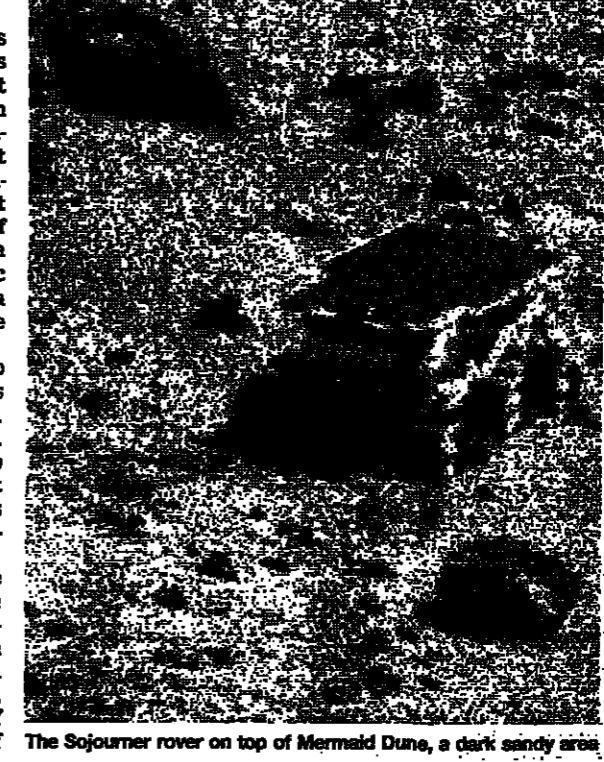
The soil samples analysed by Sojourner are similar to those found 1,000km away by the Viking landers in 1976. According to Nasa, this implies that the whole of Mars is covered with a homogeneous layer of dusty soil that has been mixed up and distributed over the planet by Martian winds.

The weather station has detected what seems to have been a whirlwind or dust devil over millions of years.

But the rocks show more variety. The first one analysed was Barnacle Bill. It contains more silica than expected - as much as terrestrial rocks called andesites. These were formed through the movement of tectonic plates (giant pieces of the Earth's crust) which allowed ocean water to interact with the molten mantle beneath. The discovery has led geologists to speculate that a similar process may have occurred on Mars.

The next rock, Yogi, is a basalt, the most common sort of volcanic rock in the solar system. Nasa scientists believe it is more primitive and has gone through less geological "cooking".

Nasa planners say it would be feasible to send people to Mars some time between 2010 and 2020, at a cost of \$25bn - a sum comparable to the anticipated US investment in the International Space Station. But the Clinton administration has made no political or financial commitment to the idea, and many scientists fear it would soak up resources that would better be devoted to unmanned exploration of the solar system.



The Sojourner rover on top of Mermaid Dune, a dark sandy area

### BRIDGE

#### CHESS

The UK's best grandmasters have had to work for their wins in the Smith & Williamson British Championship ending at Hove last night. After nine of the 11 rounds, half a point covered seven players, among them top seeds Michael Adams, Matthew Sadler and Tony Miles. Adams, ranked No.11 in the world, chose a canny professional approach, taking few risks and content to grind out victories in long endgames. Sadler, after an early defeat, could not rely on such luxuries and opted for a sharper style which here defeated a former three-times champion. As in many current GM games, the opening settles the outcome as Black's slow early development invited a crushing attack (Sadler v Miles).

Such card placing is a vital element of good declarer play. Once you have positioned the key card, the positions of the other cards often fall into place. Of course, frequently you will be disappointed; you may even fail by an extra trick.

However, when your assumptions prove to be spot on, the feeling of complete control is intoxicating.

Paul Mendelson

the knight, 10 h4! Open lines are the key to White's attack dxe5 11 h5 e4 12 Ng5 gxb5 13 Nxe4 Ng6 14 d3-0 Bg4 15 Be2 Nbd7 16 Ng3-h2. This pawn proved the final weakness, but the immediate 16 allows 17 Bxg4 Ng4-18 Bxg6 17 N5e4 e6 18 Bxg4 hxp6 19 f3! Nxe4-20 Nxe4 Nf6 ex5 21 Bxh5 loses practically. Miles, several times UK problem-solving champion, instead co-operates in a pretty finish: 21 Bxf5 Nxe4 22 Bxg7 Nxd4 23 Ng5.

1 d4 d5 2 e4 An early sign that White has prepared well; 2 c4 e5? is Miles's own system. Nf3 3 Nc3 g6 4 f4 Bg5 5 Nf3 0-0 6 Be3 b6? Instead we have a regular Pirc Defence, where Black's Q-side pawn advance looks slow contrasted with White's direct threats to the king. 6...Nbd7 preparing 7...e5 is critical.

7 Qd2 c5 8 d5 a5-9 e5 White strikes before Black can advance b5-b4. Nbd7. If Ng10 Bg1 ex5 11 h3 chases

No 11... Nxe5 12 Nxe5 White mates in two moves, against any defence (by John Rice, *The Problemist* 1970). For a free specimen copy of the UK's problem magazine, write to C. Rice, 76 Albany Drive, Herne Bay, Kent CT6 8SJ.

Solution: Back Page

Leonard Barden

#### 28 Foundations or collection within call (8)

1 Clever little beast died (6) DOWN  
2 Cook boils turn in both (9)  
3 Send about ambassador (8)  
4 Horse with voice of cat heard in India (6)  
5 Horse's destination, but outcome remains optional (5)  
6 Brainy lieutenant turned horse's head to maze (9)  
7 Horseman being funny about cycle (6)  
10 Appropriate at present: a little heat? Put on a sunhat (7)  
11 Horse backed by biter with a bit of money (7)  
21 Theologian enters auction for a seat on a horse (6)  
23 Pope's advice to learners: keep your engagement is on record (5,4)  
25 Motorway services part - but not with money (5)  
26 A horse that's bound to win, I hear you say (6)  
27 The floor is everything: put together (8)  
28 Modest ending to game? (2-4)

Solution 9,454

FORAGE DRAMATIC SCARITY DEAFEN SCARITY  
LIPSTICK SILENT LIEGE SILENT  
YRC HUNTER ARRIVAL COPE  
B CACI COA FRANCE DISASTER  
AM KMD TNS THESPIAN UNICORN  
JROS ATI CHASTISE SPLEEN

BULEOFTHUME MAD  
APANE ODE  
REVUE CADETSHIP  
AERIE ITAU  
LANCASTER EDICT  
SHREWD ODEME  
TIRY FEE  
CRIS COFFERS  
IS BORN AC  
GROOM EPITHELIA  
NWAAAATR  
ONIONSKIN BEING  
RINIUTI M  
ERG APPOINTMENT

W E  
A 10 3 Q J 2  
5 4 3 K 9 7 6 4  
9 7 2 V A 10 7  
8 7 5 K 6  
J 4 2 S  
A 10 3 Q J 2  
5 4 3 K 9 7 6 4  
9 7 2 V A 10 7  
8 7 5 K 6  
J 4 2 S  
A 8 5 Q J 9 8 6 2  
4 3 K A Q  
S  
North East South West  
ID 1H NB 3H NB  
2D 4H

North's cue-bid of East's suit showed a good hand with at least 3-card support for partner's overcall, and requested further information. When South jumped to 3H to show a 6-card suit and a good hand, North bid game. West led 7H, and East won 4Q before switching to 10H. Declarer still faced three

likely losers - two spades and K9V. The bidding marked East with most of the outstanding points, but West could hold one top honour. Declarer realised that only one placement of the cards offered any chance of success. West would have to hold A4 - or there were two certain spade losers. So, if West had to hold A4, he could not also hold K9V. Therefore, the only chance of avoiding a heart loser was to play East for a singleton K9V. Declarer duly led a trump to A9V, and was rewarded by the reluctant appearance of East's K9V. Declarer now drew the remaining trumps, and confidently led 8H from hand towards K9V. When West showed up with A4, the contract was made.

Such card placing is a vital element of good declarer play. Once you have positioned the key card, the positions of the other cards often fall into place. Of course, frequently you will be disappointed; you may even fail by an extra trick.

However, when your assumptions prove to be spot on, the feeling of complete control is intoxicating.

Paul Mendelson



Joe Rogaly



## We need President Mandela of Ireland

Sinn Féin likes to draw a comparison with South Africa. But the circumstances are completely different

**T**he Irish are ace talkers. They will be at their most eloquent after September 15, when Northern Ireland's political parties are due to resume negotiations. Once again we may succumb to the enticements of hope, knowing that in all probability we will be disappointed. This time Sinn Féin will be present, if the IRA ceasefire holds.

We can only guess where this might lead. Call it an historic opportunity of the same order as when in 1921 Michael Collins and Arthur Griffith came to talk in London. That settled partition. Can there be a new deal of equivalent significance this time? We wait to see how many unionist politicians turn up. It could be very few. When Ken Maginnis sat opposite Martin McGuinness in BBC 2's *Newsnight* studio this

week, he could hardly have been plainer. "I'm being asked... to sit down with the leader of the IRA," said the security spokesman for the Ulster Unionists, "with Martin McGuinness who has been the chief of staff, who is the godfather of godfathers..."

The denunciation was brushed away, the allegations denied. We believed Mr McGuinness, but found Mr Maginnis' performance hypnotic. He had been introduced as "of Sinn Féin", which some of us thought was the political wing of the IRA. But wait. His first response mentioned South Africa.

That revived memories of the transfer of power from the white Afrikaner National Party to the black African National Congress. During the apartheid years the

ANC had a branch, Umkhonto

We Sizwe, whose activities led Margaret Thatcher to pronounce it a terrorist organisation. No, I am not losing my wits, not meandering aimlessly from Ireland to Nelson Mandela's rainbow republic. It was Mr McGuinness who, in his silkiest voice, said how courageous it had been of David Trimble, the leader of Mr Maginnis's unionist party, to visit South Africa earlier in the summer. You may have read about that. President Mandela is repetitive about the "mandate" it received from republicans on May 1. True, it wins only a small fraction of the total poll in Northern Ireland and a lesser share in Ireland proper, but that is no justification for taking up arms. What may have been understandable in South Africa is hard to swallow in Ireland.

McGuinness's words, "much to learn from the people of South Africa and from people who were... very very opposed to one another and who hated one another as a result of a very deeply rooted conflict..." It sounds so reasonable we might almost fall for it. That would be self-deception. Until the new constitution was agreed, black South Africans did not have the vote. Irish nationalists are as entitled to the franchise as any other citizens. Indeed, Sinn Féin

is repetitive about the "mandate"

it received from republicans on May 1. True, it wins only

a small fraction of the total poll

in Northern Ireland and a lesser share in Ireland proper, but that is no justification for taking up arms. What may have been understandable in South Africa is hard to swallow in Ireland.

Again, much depended on the image of Mr Mandela. From the moment he walked out of prison he personified forgiveness, reconciliation, reassurance to the minority whites. Northern Ireland has no Mandela, not even in John Hume, putative next president of the republic.

There are other differences, but the most important is the expressed purpose of the negotiating parties. South Africa's last white president, F.W. de Klerk, accepted that Afrikaner rule had to come to an end. That was the decisive factor. The talks were protracted. There were breakdowns and walkouts. But the end would be black rule. Everyone realised this.

In Ireland the IRA was founded to drive the British out by force. Sinn Féin has the same overriding purpose: to absorb the

north into the southern republic. This is not accepted by unionists. They command a majority of the votes in their province. The British and Irish governments insist that the consent of the Ulster electorate and parties must be given before any settlement can be accepted. Mr McGuinness and his colleagues call this the unionist veto; the rest of us call it democracy.

The waters have been muddled by hints that Sinn Féin leaders, including Gerry Adams, would consider transitional arrangements. South Africa is again the supposed model. Its first post-apartheid constitution was designed to allay white fears. The second has been negotiated since the ANC took office.

That was fine down south. Up north is different. As matters stand, unionists would vote "no"

in a referendum on any new dispensation whose purpose was to move the six counties along the road to a united Ireland. There is no intent to surrender British sovereignty, not even an unwritten understanding that that is to be the end-game.

Some republicans conclude that a quarter of a century of peaceful persuasion might win what could not be obtained during 25 years of murderous onslaughts. There are flickering suggestions that some in Sinn Féin are beginning to grasp this.

Attempts to woo unionists are discernible. But we should not get carried away. The ANC emphasis was on non-violence. Umkhonto was an add-on. The IRA's priorities are the other way round. Politics is an optional extra.

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## Lunch with the FT The man on the other side of the street

Doug Henwood, an American socialist, talks to Tracy Corrigan

**Y**ou are scum," Norman Pearlstein, the former editor of the *Wall Street Journal*, is said to have told my lunch date. "It is tragic that you exist."

It is clear that Doug Henwood likes the idea of being thought of as scum, or at least scum with a public profile, because he plastered the comment on a book cover.

Given the advance billing, the sight of a sweet-looking, middle-aged man waiting for me at a table in a crowded Greenwich Village restaurant was a let-down. He seemed perfectly pleasant.

But, as we perused the menu at Provence and the conversation shifted from social niceties - a few hacks we both know - to his pet subjects of Wall Street, financial markets, economics and politics, I began to understand why this mild-mannered man might get on people's nerves.

First of all, he is a socialist, a protected species in America these days. Even more unusually, he is a socialist who is fascinated by finance, which means, disconcertingly, that he attempts to attack Wall Street on its own terms, without the ignorant bluster of ideology.

His new book, simply called *Wall Street*, is an indictment of the American financial system - but it is also the work of an enthusiast who has relished getting to grips with each economic, statistic and complex financial instrument.

The book's conclusion, however, is that "the US financial system performs dismally at its advertised task, that of efficiently directing society's savings towards their optimal investment pursuits. The system is stupefyingly expensive, gives terrible signals for the allocation of capital, and has surprisingly little to do with real investment."

But who reads this stuff, I can't help asking, slightly more politely than that. Aren't most of the people interested in the workings of Wall Street pretty unconstructed capitalists? This, he concedes, is indeed the case. "Left Business Observer", the newsletter he writes and publishes more or less single-handedly, has around 3,000 subscribers ("it's cheap, though"), mostly academics and intellectuals.

Henwood also has a radio show on what he describes as "the local communist station" in New York. He says lots of cab drivers listen in. "There is an oppositional culture out there somewhere," he insists, though, thankfully "oppositional culture" is not yet the core of

cab drivers' conversation.

We pause to order. It is a stiflingly hot day, so I pick cold dishes - roasted eggplant (aubergine) mousse followed by duck salad - and feel "moderately virtuous". This feeling is dashed when Henwood skips a starter, explaining he is trying to lose weight, orders an omelette and declines wine.

Since Henwood's chosen career path suggests he isn't motivated by money, I am curious to know how he first got interested in finance. He says that when he was growing up in a small New Jersey town, his uncle, who lived with the family, subscribed to Barrons, the weekly financial publication. "He was speculating..." explains Henwood. "I started reading through it and I was sort of intrigued by that whole world."

After college, where he was an English major, and very briefly, "one of about seven" right-wingers at Yale in the early 1970s, he worked for a small Wall Street brokerage. "I was fascinated by that world, even as I found it repellent." If the firm hadn't gone under, "maybe I'd have been a stockbroker," he muses, laughing as though he finds the idea far-fetched.

By his own account, though, Henwood is no



Doug Henwood: "In many ways capitalism is at its most appalling when it is working well"

Wall Street. On paper, his approach is more academic, as he comes through data in his effort to challenge the prevailing orthodoxy. But his tone is irreverent; the savings and loans institutions bailed out by the government in the 1980s, for example, were "often run by dim provincials".

Henwood appears to relish his fringe status, as he bluntly describes his political position as "off the spectrum" of conventional US politics. The recently elected British Labour prime minister, Tony Blair, seems "quite dreadful", he observes sweetly, and he tells me over coffee that he would "ideally get rid of stock markets altogether. I don't see any point in trading shares."

I protest mildly at these positions, but it hardly seems worthwhile. Besides, I do accept his more fundamental point that "there is simply no challenge to the almighty rule of the almighty markets". The spectrum of political debate has narrowed markedly in the US in recent years, and debate over the role of Wall Street, the preserve of the wealthy and savvy, is virtually non-existent.

Conventional wisdom, for example, holds that the social security system is going bust. Indeed, this is so frequently stated that I had not previously realised it was a matter of debate.

But Henwood has gone back to the source of this assumption - the annual report of the trustees of the system, who, says Henwood, assumed an economic growth rate of 1.4 per cent over the next 75 years - even though such a low rate was only seen in one decade of this century (1910-1920). His own simulations, using a rate of 2.5 per cent - still below the average for the past 25 years - suggest it is not facing insolvency after all, he says.

The orthodoxy also holds that the superiority of the US financial system is demonstrated by its efficiency in providing finance for growing companies. Henwood points out, though, that start-ups tend to be financed by venture capital, a "highly romanticised" segment of the finance industry which

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We have finished our coffee and are about to head out into the unrelenting heat of New York. Henwood appears to be giving ground. America, he admits, is "a very vital place. Capitalism is working well." Then, he adds: "But it creates great disparities and does enormous damage... in many ways it is at its most appalling when it is working well."

\* Verso, 6 Moor Street, London W1 2HR, 218-80 Varick Street, New York 10014, 225

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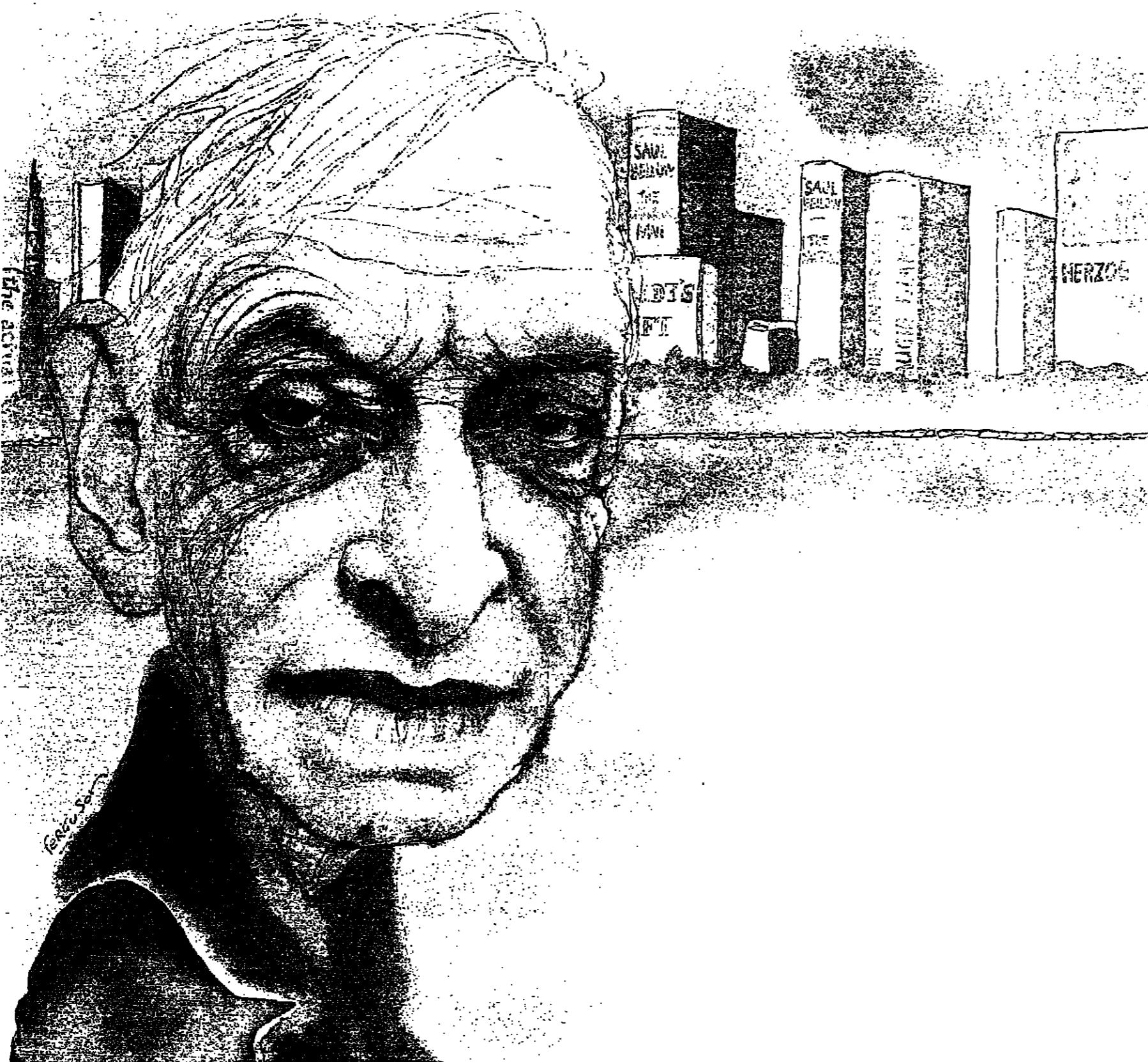
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## BOOKS



## Humboldt's poor relations

Justin Cartwright finds only a few flashes of vintage Bellow in his latest work

**T**he "actual" of the title is Amy Wustrin, the childhood sweetheart of Harry Trellman, a wordy man with - from Bellow's canon - a typically Chicagoan history and an enquiring if odd mind. Through the agency of a nonagenarian billionnaire called Sigmund Adeltsky, Harry and Amy are brought together on rather idle business, including a mission to rebury her late husband and her father.

Many of Bellow's best characters are these rather singular men, who both enjoy the real world in an anthropological way, and are themselves otherworldly and

intellectually detached. In short they are essentially academics, although far as I know only the Dean in *The Dean's December* is actually a practising academic.

But the trouble with this little book is that Bellow has lost his touch. His particular way with language, such a pleasure in the past, now seems to be oddly repetitive and sometimes pointless. Worse, the characters are the poor relations of much richer, fuller and more deftly described characters in other novels. There are many passages which might have been had pastiches of abstracts from other books, particularly

*Humboldt's Gift*. The character of Harry Trellman

has flashes of vintage Bellow: "In the New World, his immigrant melting-pot generation of malnourished teenies-weenies produced six foot sons and

**THE ACTUAL**  
by Saul Bellow  
Viking £12.99,  
112 pages

luxuriant daughters. I myself was both larger and heavier than my parents, though internally more fragile perhaps." But even this is a familiar Bellow theme, the immigrant children in a wholly American world. Bellow's

description of Adeltsky - and Bellow's physical descriptions were incomparable - is sadly lame: "To be a trillionaire is like living in a controlled environment, a sort of

urban gumbo of dark Lake Street"

- but otherwise nothing compares with the breathtaking descriptions of winter in Chicago in other books. And so with the dialogue, only very brief reminders of vintage Bellow amongst sometimes embarrassingly banal conversations.

When Bellow announced a few years ago that he would keep his future work brief, there was the promise of some lightness, some deliberate entertainment, a sort of skilful rendering down of his life's work, a series of master-classes in note form. What we have in *The Actual* is confirmation that age does take its toll, even on a genius like Bellow.

## A heartfelt look at mankind

**T**hroughout its modern political history, western society has championed the strictures of cool, dispassionate argument over the heated engagement of the emotionally committed. The virtues of detachment are taken for granted: how else to settle warring claims? What better way to extricate ourselves from the distorting pressure of the moment than to step back into the comforting realm of objectivity?

But the authors of *Disclosing New Worlds* claim we are losing something by systematically allowing our heads to rule our hearts. It turns us into control freaks, constantly seeking explanation and demanding rational analysis when, occasionally, the situation demands otherwise. In a period of rapid change, for instance, some events defy such analysis, because the very definition of what counts as hard "facts" is changing before us.

"Consequently," say the authors, "we find in the halls of business and of politics many people living in state of profound resignation. They feel themselves losing touch with the world, and after failing to develop analytical explanations of ever-new domains, they begin building protected niches for themselves."

In sharp contrast and running parallel to this attitude, which the authors label as modernist, is the post-modernist view of the world: all change is good, to be enjoyed, embraced and accepted as part of the human condition. But this will not do either: if we regard our sense of selfhood as some nostalgic irrelevance, how do we make any kind of commitment, to workplace, friend or loved one?

*Disclosing New Worlds* is an attempt out of this dilemma: how do we overcome our intellectual addiction to detachment and convince ourselves that we can still change the world, and how do we rediscover our history-making skills amid the ever-mutating world all around?

The authors' argument is ambitious, densely-argued and unashamedly complex. They focus on three archetypal figures who can deliver us from our *Impasse*: the entrepreneur, the virtuous citizen and the "culture figure", who can cultivate solidarity among a community.

All three figures have in common an ability to grasp intuitively what is not

always available to rational thinkers. In the first case, the authors analyse the ability of King C. Gillette, inventor of the safety razor, to revolutionise the way men regarded an essential masculine ritual.

This was no random fluke, but a historically sensitive insight which would forever affect our culture: "Gillette sensed that masculinity could... be understood as commanding things and getting rid of them when they ceased to serve, rather than as caring for and cherishing useful and well-engineered things".

In the second case, Spinoza, Flores and Dreyfus endorse the virtue of civic activism by looking at the case of the Mothers Against Drunk Driving movement in the US. They contend that it is the very participation in such a movement that is as

**DISCLOSING NEW WORLDS**  
by Charles Spinoza,  
Fernando Flores and  
Hubert T. Dreyfus  
MIT Press £14.50, 222 pages

important (if not more) than the substance of its argument. Traditional liberalism, they say, promotes an aloof resignation by its emphasis on abstract reasoning and private judgment: "(But) a reflective judgment does not amount to a change of heart".

Finally, the "culture figure" is epitomised by Martin Luther King, who was an exemplary articulator for his cause "because his actions reminded Americans of a concern that was an essential part of their past and thus of their identity". Through such expressions of shared cultural values are people made aware of their heritage, and thus able to resist the creeping trend of anonymity and consequent feeling of helplessness.

It is refreshing, amid the gloomy talk of end of history and death of ideology, to find a book prepared to revise the traditional liberal agenda with such thoroughness, if not style. The difficulty of *Disclosing New Worlds* will preclude it from making any great impact; but it stands as a brave attempt to reformulate the relationship between democratic rights and economic progress in an age when the triumphalism of technological advance masks an unconfident vision of the future.

Peter Aspden

## In the very beginning

A.C. Grayling on new, intriguing speculation about 'Big Bang'

galaxies, with what seem like vast tracts of emptiness between. How did this happen?

A recently offered answer is that visible matter represents only one per cent of the universe's true mass, the rest consisting of "dark matter". Belief in the existence of this mysterious stuff is not prompted by experimental results; it is demanded by pure mathematics. But "dark matter" theorists predicted that investigation would reveal irregularities in the Big Bang's leftover radiation - and just such irregularities were detected by a NASA satellite in 1982.

But this work only intensifies the puzzle of how the Big Bang itself happened, and how it quickly produced so much visible and invisible matter. In 1975 the physicist

William Tryon suggested that the universe began as a "quantum fluctuation".

Almost anything can happen in a vacuum - which according to quantum theory is not a quiet nothingness but a tumult of subatomic events. For example, a motor-bus could suddenly appear in one

(although the chances are

very tiny). Tryon surmised that the universe came about in exactly that way: a spontaneous quirk in nothingness. Bizarre as the idea seems, it is perfectly consistent with the laws of physics.

But Tryon's hypothesis does not explain why the universe grew so large. This is where other

**THE INFLATIONARY UNIVERSE**  
by Alan H. Guth  
Jonathan Cape £18.99,  
358 pages

contributions, including

Guth's, figure. Guth gave the Big Bang theory a new twist by putting forward his "inflationary universe theory", suggesting how, in the first incredibly tiny fractions of the first split-second of the universe's existence, an immense quantity of matter was formed, expanding the universe by a factor of 10<sup>25</sup> or more. After postulating this stupendous spurt of growth at the first instant of the universe's existence, Guth's theory allows the universe to continue as described in the standard Big Bang model.

Understanding Guth's proposals requires a lot of background, which he therefore provides - and with great lucidity. It is stimulating to have a first-hand account of these exotic and imaginative speculations about the world's beginnings, an account which amounts to a very readable history of recent cosmological theory.

Guth's suggestions have proved immensely fruitful: since the publication of his ideas a decade ago, over 200 papers have appeared each year suggesting different versions of "inflation".

The core insight remains:

that the whole universe could emerge, almost instantly, from the tiny seed of a vacuum fluctuation, given some exciting possibilities about the geometry of space.

"Higgs fields", "supercooling", solutions to problems about monopoles and other exotica - and much besides.

Universal inflation can be likened to doubling grains of wheat on a chessboard's squares, starting with one grain on the first square,

two on the next, four on the third, and so on; by the

sixty-fourth square the

number of grains required

exceeds 9,000,000,000,000,000 (2 to the power 63).

Describing the actual

process is not so easy: it

involves piecing together

the intricacies of theories in

both quantum and relativity

physics.

As popular accounts of

recent science go, this is not

one of the simplest tomes,

but for that reason is all the

more educational. Guth does

not record a finished effort,

but work in progress, in one

of the most fascinating and

fundamental fields of

human enquiry. It

handsomely rewards study.

**F**oreign correspondents for British newspapers tend to find re-entry difficult. They come back to a country which looks to them smaller, meaner and nastier than the one they left.

Not this reporter. The title of the book is misleading, for Fishlock's Britain floats in a warm sea of familiarity, nostalgia and love. It is the calm and blessed isle for which

generations of colonial servants have been ready to die

and in whose country

churchyards they dream of

resting their bones. The

Mounting Minnies have got it

wrong. Fishlock says: they

mistake evolution for

decline, disorientation for

crisis.

Anyone who has read his

dispatches for *The Times*,

and latterly for *The Daily Telegraph*, will recognise this journalist's old-fashioned (in the best sense) talent for colourful reporting.

Here, he is in full literary bloom. If his subjects smack sometimes of the tourist brochure - swan-upping, the Tower of London, quill pens,

Lord Montagu of Beaufort - there is nothing bland about his manner of describing them. Even so, one would have welcomed a more jaundiced eye from one who has lived out east and seen a few things.

This is a very literary

travelogue, worthy of Jan

Morris and other distin-

guished graduates of the

"old" *Times*. It is stuffed

with plum English words

of the sort now kept alive

only in former imperial

outposts such as Bengal,

"Buggergrin' whiskers",

"gudgeon", "mulligrubs",

"cat-trops" and "fanfarone"

all occur within a few

pages.

Sometimes the jostling

similes fall over each other:

**Pilgrimage through the motherland**

Christian Tyler on an elegant literary journey through Britain

To the eye wearied by the

dishwash monotone of the

waves, the coast in sunshine

has all the dazzle of cur-

tin-up in a theatre, the

vividness of a newly-sliced

melon". Or, later: "sticky

pastries squirming yellow

nectar, two-handed bugs as

big as horse droppings."

**MY FOREIGN COUNTRY**

by Trevor Fishlock

John Murray £18, 276 pages

Fishlock begins his pil-

grimage in the great naval

dockyard of Portsmouth,

where his father served in

the Royal Marines and

where young Trevor was a

cub reporter on the *Evening*

*News*. His voyages between

greasy spoon cafés, cheap

hotels, local newspapers and

museums, and he is

always on the lookout for a

story.

Wales, the land of his

fathers, takes up a great

deal - for this reader, too much - of his time. There, he recalls Bertrand Russell describing his own grandfa-

ther's encounter with Bonaparte on Elba, the same

Bonaparte whose wars cut

off the Continent and made

Snowdon a popular tourist

spot.

He discovers the rare

Snowdon lily and a hole in

**L**ooking back on his life from his present viewpoint at the age of 80, Nigel Nicolson is interestingly frank about his inheritance. He writes: "I am often asked whether it is a handicap or an advantage to have had well-known parents. Undoubtedly it is an advantage."

We see him standing anxiously among those parents in a family photograph of 1928 when he was a boy of 12 about to leave his private school for Eton. His brother Ben, the future art historian, stands beside him but is already, one feels, in a world of his own. His mother Vita looks downward in disapproval as she leans gracefully on a stone ledge - this is Long Barn not Sissinghurst - slightly apart from the male trio, closer to her dog than to her brood. "She hated being photographed," we are told. Nicolson wishes now that he had taken greater pains to know her better.

Harold, pipe in mouth, stands behind Nigel, his hands protectively on his son's shoulders; his penetrating eyes

are likewise fixed on horizons way beyond family life. No wonder he seems thoughtful. This was the year, 1926, in which Harold gave up a most promising career in the diplomatic service for the hazards of living by his pen as biographer and a reviewer.

Nigel has made several, almost as traumatic, fresh starts in his career, and they have given his memoirs their unusual pattern. Instead of the normal trajectory from childhood to adulthood life, they are arranged thematically - the son, the soldier, the Bloomsbury, the publisher and so on. It makes the book very user-friendly in today's jargon. If, for example, you wish to find out exactly what happened in the Bournemouth Conservative Party Association in 1956 that led to Nicolson's deselection as

its Member because of his public condemnation of the Suez adventure, you can find it as an absorbing self-contained narrative in his chapter, "The Politician".

That was not the first time that history caused Nigel Nicolson to change tack. He had barely left Balliol in 1938 to start work in Newcastle with the Tyneside Council of Social Service when the war broke out, and he went to Sandhurst for training as an officer in the Grenadier Guards.

His war service took him to northern Italy and southern Austria in April - May 1945 during the notorious "repatriation" of the Cossacks and Croatian Yugoslavs that led to their massacre. He thus became a key-witness for the defence 40 years later, during

the libel case brought by Lord Aldington against Nikolai Tolstoy. Here again the whole episode can be reviewed in depth in Nicolson's retrospective account.

**LONG LIFE: MEMOIRS**  
by Nigel Nicolson  
*Weidenfeld & Nicolson £20, 310 pages*

**ANCIENT AS THE HILLS:**  
**DIARIES 1973-74**  
by James Lees-Milne  
*John Murray £20, 228 pages*

To be in a minority of one, or thereabouts, is very much part of his pattern. It happened again when he became a publisher after the war in partnership with George Weidenfeld and they

decided to publish *Lolita* - much against the advice of Harold, who wrote a passionate letter to Weidenfeld trying to dissuade him. Nicolson's pen-portrait of his former publishing partner is a triumph of tact and perception.

Nicolson got himself into even hotter water when he decided to make his mother's secret diary of her affair with Violet Trefusis (as a boy he had no idea what was going on in his mother's private life) the basis of his book about his parents, *Portrait of a Marriage*. But he stuck to his - as it turned out on this occasion - lucrative guns. These episodes represent but a few of the plums in a fascinating and disarmingly candid volume.

It so happens that James Lees-Milne, biographer of Harold, friend of both Nicolson

father and son, records in his latest book of *Diaries 1973-1974, Ancient as the Hills* his reaction to the news that Nigel Nicolson was going to make public his mother's love journal. He did not advise against publication but he did think that, in the event, Harold's peccadilloes (as he put it), which were occurring at the same time, were unfairly edited out of the total picture.

Lees-Milne was a mere 65 during this period - he is now 89 - but already he is beginning to feel his age as he records the deaths of several old friends, including Hamish Erskine, Henry Green, William Plomer, and Nancy Mitford, of whose family funeral we have a memorable account. As a daily diarist Lees-Milne has the verbal equivalent of perfect pitch. He writes an extract almost every

morning and never corrects, or needs to correct, a word. It is a hothouse world he inhabits of almost exclusively titled people that can pall after a time, but he is undoubtedly one of the peerless Saint-Simon on whom future social historians will lean.

I particularly enjoyed the story of Georgina Stowell fulminating to the Leicester Galleries over the portrait of Sacheverell she had commissioned from Graham Sutherland. It was (she said) a gross and horrible caricature for which she refused to pay. It transpired that what she had seen was his portrait of Adenauer. Older FT readers and colleagues will be entertained by the entries concerning Lees-Milne's great friends, Joan and Garret Drogheada.

Very occasionally a gust of right-wing rage, even a hint of racism, ruffles the immaculate surface. This was Old Labour's years of coming to power, and, we are told, almost certainly the end of civilisation as we know it. In spite of such tantrums this is a book no guest-room can afford to be without.

## A muddled look at harassment

**F**ive years ago, a student at a prestigious college at Melbourne University complained that she had been indecently assaulted at an end-of-year party. She claimed that the man danced with her and groped her breast, persisting even when she removed his hand. When he appeared in court, the charge was "found proven", in Helen Garner's slightly ambiguous formulation, and almost immediately a second set of allegations was made public.

Another student at the college accused the same man of inviting her into his office during the party, admitting he had sexual fantasies about her, and asking if she would mind if he made an "indecent" approach. Then, she claimed, he touched her breast. Both women gave evidence at the man's appeal against the guilty finding and the judge described one of them, the dancing case accuser, as "an excellent witness". But he said the allegations had not been proved beyond reasonable doubt and set aside the original decision, awarding the defendant costs of nearly \$16,000.

What made the case so explosive in Australia was not just that it revolved around sexual harassment. The accused man was not another student, but the Master of Ormond College. (He appears as "Colin Shepherd", a pseudonym, like every other name in Garner's text.) Ormond admitted women students 20 years before the alleged incidents took place yet the extent to which its inevitably masculine culture had changed seems to have been an important element in the case. Garner's interviewees provide conflicting accounts - this is not a book which fosters strong conclusions - but a picture emerges of an institution intensely conscious of its traditions and uneasy about the presence of female students.

Nor do the college authorities seem to have known what to do when the allegations first emerged, on the morning after the party. The Vice-Master, to whom they

were reported, agreed not to speak to the Master because "often the perpetrator of sexual harassment is unaware that harassment has taken place. We were hoping that conciliation would let everyone concerned come out of it with dignity."

This kind of response can easily be interpreted as a reluctance to get involved or even a cover-up, and the fact that the allegations ended up in court suggests that something went badly wrong at Ormond. Pre-existing attitudes at the college to sexual harassment, together with the bewilderment and horror generated by the accusations, seem to have created a highly-charged atmosphere in which taking sides had a higher priority than estab-

**THE FIRST STONE:**  
**SOME QUESTIONS OF**  
**SEX AND POWER**  
by Helen Garner  
*Bloomsbury £6.99, 216 pages*

lishing what actually happened.

Unfortunately Garner herself quickly becomes as emotionally involved as anyone else. Her account opens with a transcript of a police interview with the Master but quickly plunges into a fractured and highly personal narrative of her attempts to make contact with the protagonists. As a consequence, I had to read the early chapters several times to work out the criminal charges and the outcome of the two court hearings. Most bewildering of all in a book which has been praised for not taking sides, that Garner's point of entry into the case is a letter dashed off to the Master after she read in a newspaper about his first appearance in court. "I still remember the job I got from the desolate little item: *Has the world come to this?*" she writes in an early chapter of *The First Stone*.

Next she calls her friends, "feminists pushing 50", and discovers similar reactions to her own. "He touched her breast and she went to the cops? My God - why didn't she get her mother or her friends to help her sort him out later if she couldn't deal

with it herself at the time?" It did not occur to Garner at this point, she admits, that the accused man might be innocent. But she experienced such "rashes of horror" all day that she sat down and began a letter to him, apologising: "What I want to say," she wrote, "is that it's heartbreaking, for a feminist of nearly 50 like me, to see our ideals of so many years distorted into this ghastly punitiveness."

People all over the world experience furious reactions to items in their daily newspapers, but few of them go off and write a book about what they've read - and if they do, they may come to realise that outrage on this scale is not an appropriate tool for so delicate a dissection. Garner's subjective approach is almost certainly deliberate, a reaction against traditional male discourse and its inability to provide "a version complete with tones of voice, body language, atmospheric shifts, all those details and quivers of meaning that men are notoriously so hopeless at delivering." Yet this blow against pseudo-objectivity is not as telling as she imagines, for the simple reason that what she puts in its place cruelly illuminates her own confusion.

This outcome was inevitable from the moment her ill-advised letter to the Master became public, detonating her chances of talking either to his accusers or their friends at Ormond College. In that sense, the book is not really about the Ormond case or even, as the sub-title would have it, "some questions of sex and power." It is instead the anguished cry of someone who feels dispossessed, someone whose proprietorial attitude to ideas is outraged by her own assumptions, frequently untested, about what other people think and believe. Garner's problem is that she thinks she knows about men and women and sex and desire, but on the evidence of this muddled book there is no reason why other people should listen to her.

Joan Smith



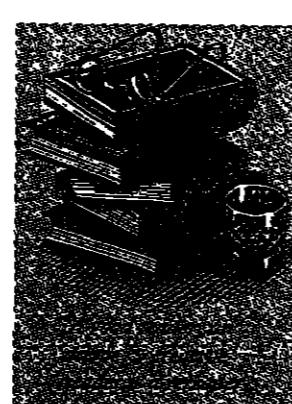
Self-portrait by Dame Laura Knight, painting her friend, Elsa Naper, in 1913. Taken from 'The National Portrait Gallery' by the NPG's director, Charles Saumarez Smith, in which he has chosen 120 works from the gallery's collection, with famous faces ranging from Elizabeth I by Marcus Gheeraerts the Younger to Elizabeth II by Andy Warhol. The collection also includes portraits by photographers such as Richard Avedon and Helmut Newton (National Portrait Gallery Publications £25, 240 pages).

**A** work which leaves an impression of tragic, poignant gravity, ending on the verge of the literal grave, with its central figure a man doomed yet superb in his fierce, sensuous attachment to life - such is not the kind of novel commonly associated with the name Ronald Firbank. He once complained that being addressed as Firbank made him think of galoshes. But a bolder posthumous fate has condemned him to be thought of, and perhaps even as, a galigie.

His last completed novel, *Concerning the Eccentricities of Cardinal Pirelli*, is indeed full of the presumed giggles, along with sexual innuendo and generally camp, often Catholic jokes which have probably repelled as many would-be readers as they have fostered a slightly tiresome cult. But Firbank, picking his way fastidiously in the steps of Shakespeare, also knows how to alternate the comic and the deadly serious. Ultimately, *Cardinal Pirelli* is as tragic a spectacle as *Antony and Cleopatra*. It too is about love and lust enjoyed by someone of high position in the world, whom the world conspires to punish and destroy.

### Rereadings/Michael Levey

## Cardinal sins



By his apt choice of Zurbaran as the painter of a set of religious canvases in the Cardinal's monastic dining room, Firbank provides a minor indication of his artistic seriousness, and of his art-historical awareness. Despite his Italian surname, Cardinal Pirelli is Spanish, and the novel is located in a wonderful white Andalusia, evoked with the vivid

opalcent effect, shifting and changing in the light of fresh scrutiny, and becoming more complex as a result. And when one returns to *Cardinal Pirelli* it is apparent that, consciously or not, the Cardinal has been weaving his own pall throughout the book: a splendid El Greco-style pall in black and gold, where there gleams amid the rich embroidery a skull.

Our century should have no difficulty with Firbank since it has had none with novelists such as Evelyn Waugh and Nabokov, and there must still be some audience for stylish, witty and sophisticated novels which bravely decline to mirror daily life in Belfast or Bangladesh. Perhaps the fact is that many people are secretly afraid of the work of art that is flagrantly polished and fashioned not in the reassuring shape of a chipped earthenware mug but in that of a goblet of Venetian glass, convoluted, extravagant, and challenging to conventional ideas of usefulness or taste.

Those daring to reach out and grasp Firbank's work are, however, liable to be surprised. Far from being frigid, he tacitly asserts the artist's right to create works of art of shot-silk mood and

economy of scenes glimpsed on a rapidly fluttering fan. The Cardinal responds intensely to the contrasting aspects of his see: hustling, social excitement in the city and the tranquil silence of vineyards and orange-gardens in the autumnal countryside.

Allured by both worlds, he yet has intimations also of the otherworldly. A vision of the great Spanish saint, Theresa of Avila, appears to him in his besieged loneliness, and Firbank provides a major indication of his own artistic seriousness, with the proud, scandalously hedonistic prelate failing to his knees to pray. "Teach me, oh, teach me, dear Mother, the Way of Perfection."

It is characteristic of Firbank's art that under all his delight in the shimmering, amusing and absurd surfaces of life there lurks a residual sadness. He tacitly asserts the artist's right to create works of art of shot-silk mood and

### Fiction/Michael Thompson-Noel

## A chip off the old geek block

**P**o Bronson's first novel, *Bombardiers* - about Wall Street investment banking - was a planetary best-seller. All the more reason, then, to warn you, as you head for summer beaches, not to snatch up Bronson's second novel, which is strictly for geeks and nerds. It is as flat as a chip, as dull as Bill Gates. On second thoughts, Gates would have to be livelier.

In an author's note, Bronson says that when he told people in Silicon Valley he was writing a novel about the computer industry, many wanted to know if it was about Bill Gates. "A lot of people," says Bronson, "wanted me to bring [Gates] down, but I was more interested in writing about today's [computer] entrepreneurs than today's moguls."

The reason he was more

interested in entrepreneurs than moguls, he says, is that a lot of enterprising people in Silicon Valley are attempting to weaken Gates' grasp on the computer industry's levers of power by undermining the near

**THE FIRST \$20m IS**  
**ALWAYS THE HARDEST**  
by Po Bronson  
*Secker & Warburg £9.99, 297 pages*

monopoly on desktop operating systems that Gates has established.

Fair enough. So Bronson gives us Andy Casper, a would-be "Ironman" - geek talk for big man in Silicon Valley - who is languishing in the basement of a distinguished research lab. The lab's chief engineer sets Casper an intriguing task: to design a cheap computer, one that sells for only \$200.

The \$300 computer project is about "populism" and "democracy" no less - producing a computer for the poor, huddled masses of the world that doesn't cost more than other small home appliances: TV sets, microwaves, stereos.

That is enough of a plot. I imagine, to chip away at the threat and send them howling round the room in hysterical excitement. For non-geeks, it simply isn't dramatic enough, at least in Bronson's hands.

And here there is almost nothing resembling sex, or even geeky replication. That is truly, unutterable. The UK version of this book has a picture of a guy who is said to be Bronson, looking really cool and hunky. But I believe Bronson is a chimp.

## ARTS

## Loud, confident, derivative

Forget the hype, Oasis's new album 'Be Here Now' is just more of the same, writes Peter Aspden

**W**hile not quite an anti-climax, Oasis's massively-hyped third album, *Be Here Now*, finds the group disappointingly aiming for consolidation rather than innovation.

Much has been made of the months spent in the studio devoted to honing *Noel Gallagher's* latest clutch of songs, but even for a group as wilfully derivative as this, it comes as a surprise to discover that these were largely spent reproducing the sounds of previous generations.

Often this works: Gallagher has a gift for fusing the bright-eyed ingenuousness of 1960s pop with the more aggressive swagger of the 1970s, with telling results. So we can happily forgive the T-Rex clash guitars, the Mick Ronson licks,

the straight lift of chord changes from "All The Young Dudes".

But in "All Around The World", the intended centrepiece of *Be Here Now*, Gallagher has taken the tone of his plundering from witty homage to tedious, and unnecessary, replication. A plodding, anemic piece, nine minutes plus of Sgt Pepper brass, Walrus strings, an uplifting chorus telling us "it's going to be OK", this is presumably Gallagher's "Hey Jude" for the 1990s. But who needs it?

It will no doubt sound tremendous at the end of their

forthcoming concerts – "These are crazy days but they make me smile" sings Liam Gallagher with orgiastic narcissism, and you can tell he believes it – but it makes an unfortunately vapid conclusion to an otherwise pretty good album.

**O**asis's strengths still lie in the hard-rocking, guitar-sawed numbers which Liam sings with his familiar uncompromising – and always tuneful – ferocity. The title track (more annoying name-checking: "Sing a song for

me, one from Let It Be") and "My Big Mouth" strut with all the confidence one has learned to expect from the notorious Gallagher brothers.

The current single, "D'You Know What I Mean?", opens the album with an assurance which most of today's bands can only dream about, and has that rarest of things: a hook you cannot get out of your head after one listen.

But elsewhere there are worrying signs of self-indulgence: virtually every track is too long, topped and tailed with bits of feedback, guitar doodles and even, on the

evocative Noel-sung "Magic Pie", a hint of a jazz coda. "D'You Know What I Mean?" even gives us the background noise of some jet fighters, just to get us into a suitably bellicose frame of mind.

The one track which finds the group stretching itself musically is "Fade In-Out", with a menacing acoustic blues motif, some atmospheric slide guitar and Liam's voice effectively pushed back in the mix. There is a hint, here, of something darker, possibly based on the band's turbulent experiences of the last 18 months: there are passing references to

roller-coasters, helter-skelter (yet more Beatles) and the devil's refugees. The life they have chosen to lead is demanding, if not exactly hard. But don't they just love it.

**T**he greatest asset which Oasis have brought, or rather re-brought, to popular music, in an age of digitalised dance pop, is a dynamism, a warmth, that defies too rigorous an analysis. Forget about the Beatles (if only they would) – nobody seriously contends that Gallagher comes close to Paul McCartney's

melodic sophistication or John Lennon's scabrous sense of mischief.

Forget, too, about pushing any artistic boundaries. That is not what Oasis are about. The idea that groups should better themselves with each album is in itself a dangerous relic of the ponderous "progressive" era, which ultimately leads to Rick Wakeman piano solos. *Be Here Now* is just more of the same: breezy, loud, confident, full of itself, flawed but what-the-hell. It may be one of the most important albums of the decade, but then it is a pretty crummy decade. A landmark it is emphatically not. In any case, we will hear it incessantly over the next 18 months, so might as well join the fun.

*Be Here Now* is released by Creation Records on Thursday.

**O**nly intermittently, and not for some time, has the Edinburgh Festival made any serious commitment to the visual arts. But the exhibitions on offer present one of the strongest of arguments for being in Edinburgh at Festival time.

The Sir Henry Raeburn retrospective at the Royal Scottish Academy, the first such study of him in 40 years, should be lure enough for anyone, festival or no festival. For here is a great painter from the second great age of portrait painting in Britain, heir to Rembrandt and Reynolds and through the 1790s and the Regency, the only true rival to Thomas Lawrence. Yet outside Scotland he remains strangely unknown, with paintings scattered in collections around the world – a few in the Tate, none in London's National Gallery. The full works are a revelation.

He may himself have contributed to the mistaken sense of minor provincialism, with his *galerie* of Scottish lairds and nobles and their ample ladies. Late in his career he tried his luck in London, but soon went home. It is easy to forget that his Scotland, with its High Romantic image, was also the enlightened Scotland of Hume, Adam, Scott.

In front of the work itself we see no mere provincial but a painter of fluency, confidence and mature independence, whose rapid development following his two-year stay in Rome in the early 1780s, when he was not yet 30, is amazing. Raeburn is, time and again, an astonishing painter, his sheer painterly nerve at what he attempts, amounting almost to a kind of *je ne sais pas* he can get away with. A long sweeping stroke of the loaded brush perfectly sets a red shawl over a white chemise; the blank scarlet front of a tunic is modulated only by eight gold-dabs for buttons above eight dark dabs of shadow; a lapel is described simply by drawing a clean brush through still-wet colour. We are brought up short at what the painter is doing, and his delight in doing it.

The young and lovely Mrs Gregory (1798) sits with her hands laid lightly in her lap, a cool confection of white and grey and grey set off by the green bow beneath her breasts, her wispy brown curly hair, pink cheeks, the reddest of lips. Done in swift, rich paint, and with an ease that belies the sureness of technical command, it is an image that anticipates Sargent and Whistler by all but a century.

And but a step away, in a small exhibition at the National Gallery next door, is the very Sargent portrait of Madame X (Mme Gautreau), which he showed at



The Allen Brothers of Errol c.1790, by Sir Henry Raeburn in the first retrospective of his work for 40 years; and 'Lady Agnew', 1892, by John Singer Sargent, a direct descendant of Raeburn's painterly style



## True masters of the brush stroke

William Packer on two exhibitions which should be lure enough for anyone to visit Edinburgh, festival or no festival

**A**ugust is the month when much of the arts world clears its desk and decamps to Edinburgh – or, with nobody looking, to new careers. The past week has seen a rash of resignations, by three big players in the game, which, in their turn, are expected, understandable, and mysterious.

The most expected is the decision of Piers Rodgers to quit the Royal Academy. The financial crisis which hit the RA last December, with the deficit topping £3m, was going to claim a victim. Rodgers, secretary for 15 years, was moved to development director, but it looked like an interim appointment.

His successor as secretary, David Gordon, will take on the scheme to develop, with lottery cash, the Museum of Mankind, the stylish Victorian building which backs on to the RA and which the British Museum is quitting in 1998. The RA's original idea was to make it a centre for architecture. Now all options are open. A request for money for the feasibility study should get an Arts Council response in the autumn.

Hardly surprising was the departure of Andrew Davis from his two British jobs – music director of Glyndebourne and chief conductor of the BBC Symphony Orchestra. He is not going suddenly. He continues to wield the baton until the end of the 2000 season at Glyndebourne and the finale of the Proms, in the same

year. He is then off to take charge of Chicago Lyric Opera – his wife comes from the city and he is a frequent visitor.

Davis is a typical Glyndebourne success story, taking over in 1988 when he had a small reputation, leaving with a much greater one. He will be best remembered for championing Janáček, Strauss and Rossini, and for helping to make the new auditorium friendly. This season Glyndebourne will once again exceed its box office target – it aimed for 95 per cent of capacity sold, and should hit 96 per cent.

At the BBC Davis built up the British repertoire and lent a note of bemused decorum to the last night of the Proms. He will continue as the orchestra's first ever conductor laureate.

The real shock is the decision of chief executive Patrick Dench to quit the Royal Albert Hall next July. Dench has made a great success of the hall, turning in annual profits in excess of £2m and obtaining lottery money to fund a £40m transformation of the Hall by the millennium. Perhaps his entrepreneurial ways were too much for some on his

conservative controlling council; perhaps he has the prospect of an even bigger job – such as running the Millennium Dome?

Alongside all these departures there is one new appointment. Ian Rickson takes over next month from Stephen Daldry as artistic director of the Royal Court Theatre. Rickson has been an associate director at the Court since 1994 and was responsible for hits like *Mojo*. He will work alongside Daldry for a year and then lead the Court back into its lottery-refurbished theatre, which should re-open in the autumn of 1998.

Church-goers these days are disappointed if they do not get coffee and biscuits after the service. At All Saints, Hereford, parishioners expect a three-course meal, with wine, after prayers.

All Saints, a large medieval Grade I listed church in the centre of the city, was in great structural danger. It also had a small congregation. It was earmarked for mothballing when new priest Andrew Mottram arrived in 1991. On July 1 a restored and refashioned church opened for business as a restaurant, but with all

the religious services carefully respected.

It was John Yates of English Heritage who appreciated that All Saints was too important to lose.

EH put up £590,000 of the

refurbishment costs, and the

Heritage Lottery Fund lobbed in £540,000, with the parishioners finding the remainder.

The restaurant gives the church a purpose and makes it an inner city meeting point. The food is under the care of Bill Sewell, who has made a success of "The Place Below" in the crypt of St Mary-le-Bow in the City. With turnover doubling the forecast, the venture seems set to repay back its bank loan in a year or so. And the congregation has increased.

With so many redundant

banks converting into pubs,

there is equal potential in

turning inner-city churches,

left stranded by a departing

congregation, into cafe's. It

is not a new idea, but All

Saints has taken it further.

There are 3,600 Grade I

listed churches in the country,

over a third of all the

listed structures, and imagi-

native solutions will be

needed for many of them.

Fortunately, with the lot-

tery, more money is avail-

able. In the two decades

since 1977 £100m was spent

on preserving deteriorating

churches; now £20m a year

is available from English

Heritage and the Heritage

Lottery Board, who are

working together to pre-

serve one incontestable

manifestation of English-

ness. The show tells the story con-

cisely and effectively, setting the

context with splendid examples

of the competition Sargent faced

from such as Whistler, Millais,

Herkommer, Carlos-Duran, Guth-

er and a particularly lively Bol-

dini, of Mme Roger-Jourdain, umbrella askimbo.

But it remains Sargent's show,

with strong work both before and

after Agnew – Mrs Thurshy

about to rise from her chair; an

austere Duchess of Devonshire

looking, as her husband put it,

"alright but rather stern." And at

the heart of it sits the Lady her-

self, sphinx-like, quizzical, half-

amused. But yet for all her inter-

est and beauty, we do well to

remember, as with Raeburn

down the road, nothing is done

but in the paint, and by a magi-

cal calligraphy that can conjure

the most delicate scarf at a

throat, or silk bow about a waist,

out of no more than a flurry and

scrape of few quick strokes.

■ Raeburn: Royal Scottish Academy, Prince's Street, Edinburgh, until October 5, then to London; sponsored by Elf Exploration UK with Elf Aquitaine. The Portrait of a Lady – Sargent and Lady Agnew: National Gallery of Scotland, The Mound, Edinburgh, until October 19; sponsored by Great North-Eastern Railway and Orient-Express Hotels.

religious statues have a regular habit of bleeding in every corner of the country – but it could hardly have been prepared for a Berlusconi miracle.

In the same week that the former prime minister's corporate offices were being raided by the Italian fiscal police, news filtered out that a 16-year-old boy who had been in a coma since February following a motorbike accident woke up to the voice of Berlusconi.

The boy was a great fan of the AC Milan football club, owned by Berlusconi. His parents had asked him to send the boy a tape made with AC Milan's soccer stars. And it seemed to have worked. The boy came out of coma when he heard Berlusconi's dulcet tones: "Andrea, you are hearing my voice. Do you know who I am? I am Silvio Berlusconi, the president of Milan." I'm here with Franco Baresi, Paolo Maldini and all the rest of the team and we want to give you a hand, to help you talk, to communicate with us all..."

The story made Emilio Fede's day. Fede is one of the best known Italian TV newscasters, well-groomed, insufferably opinionated, and so rules over Berlusconi's fourth channel evening news that he has been nicknamed "Fido" because of his canine devotion to his master.

"Finally," he said announcing the Berlusconi miracle, "among so many tragic stories, here is a happy one." Everybody is now waiting for the Di Pietro miracle.

Off the wall/Anthony Thorncroft  
All change at the top

the religious services carefully respected.

It was John Yates of English Heritage who appreciated that All Saints was too important to lose. EH put up £590,000 of the refurbishment costs, and the Heritage Lottery Fund lobbed in £540,000, with the parishioners finding the remainder. The restaurant gives the church a purpose and makes it an inner city meeting point. The food is under the care of Bill Sewell, who has made a success of "The Place Below" in the crypt of St Mary-le-Bow in the City. With turnover doubling the forecast, the venture seems set to repay back its bank loan in a year or so. And the congregation has increased.

Zapping from one channel to another to find the perfect sleeping pill, I landed on one of the Rai state channels which was airing the first part of an extraordinarily powerful documentary about the *Tangentopoli* or "Bribesville" scandals that rocked the Italian political and financial establishment in the early 1990s.

I was not in Italy when Milan magistrates launched their anti-corruption *Mani Pulite* or "Clean Hands" crusade that precipitated the fall of Bettino Craxi's coalition government, destroyed his Socialist party and swept under the carpet the old Christian Democrat order that had been in power for four decades. But watching the documentary made me feel I was there.

I could not help thinking of the French Revolution. Here, two centuries later, the popular heroes waited outside the courts to shout abuse to the rich and powerful and crooked as they walked out of police cars, handcuffed, sometimes accompanied by lawyers.

In the two decades since 1977 £100m was spent on preserving deteriorating churches; now £20m a year is available from English Heritage and the Heritage Lottery Board, who are working together to pre-serve one incontestable manifestation of Englishness.

The camera took the viewer inside the now abandoned private Milan offices of Craxi, overlooking the

television soporific, and on a recent hot and stuffy night in a Treviso hotel room I flicked on the set at the end of my bed expecting to be snoozing happily within minutes despite the oppressive heat. Instead, I ended up gri

# It's circus time in Salzburg

Andrew Clark reviews three Mozart opera productions at the festival

**P**apageno is a clown; well, we knew that already. But in Achim Freyer's new production of *Die Zauberflöte* at the Salzburg festival, everyone has gone to the circus. Tamino is the princely Harlequin, Pamina a pig-tailed Columbine. The Queen of the Night masquerades as a trapeze artiste. And the circus-master? Why, none other than Sarastro.

*Die Zauberflöte* is one of five Mozart stagings at Salzburg this summer. The da Ponte operas are nowhere to be seen, but there are three *seria* operas, including the rarely-staged *Mitridate* and *Lucio Silla*. Nothing attracts a Salzburg audience like Mozart, and *Die Zauberflöte* is the biggest draw of all.

Freyer, a painter who has been part of the German opera scene for more than 20 years, serves up a fairy-tale for adults. Those who like to admire the columned architecture of the Felsenreitschule will not approve of his cloaking the action in a darkened circus-ring. But his painted motifs and animals – somewhere between Chagall and Dali – entrance the eye, and there are some good visual tricks, such as the Queen of the Night's magic stilts and a portable mirror which allows us, and Tamino, to see Pamina as she is. The emphasis is on poetic naivety, on charm and illusion.

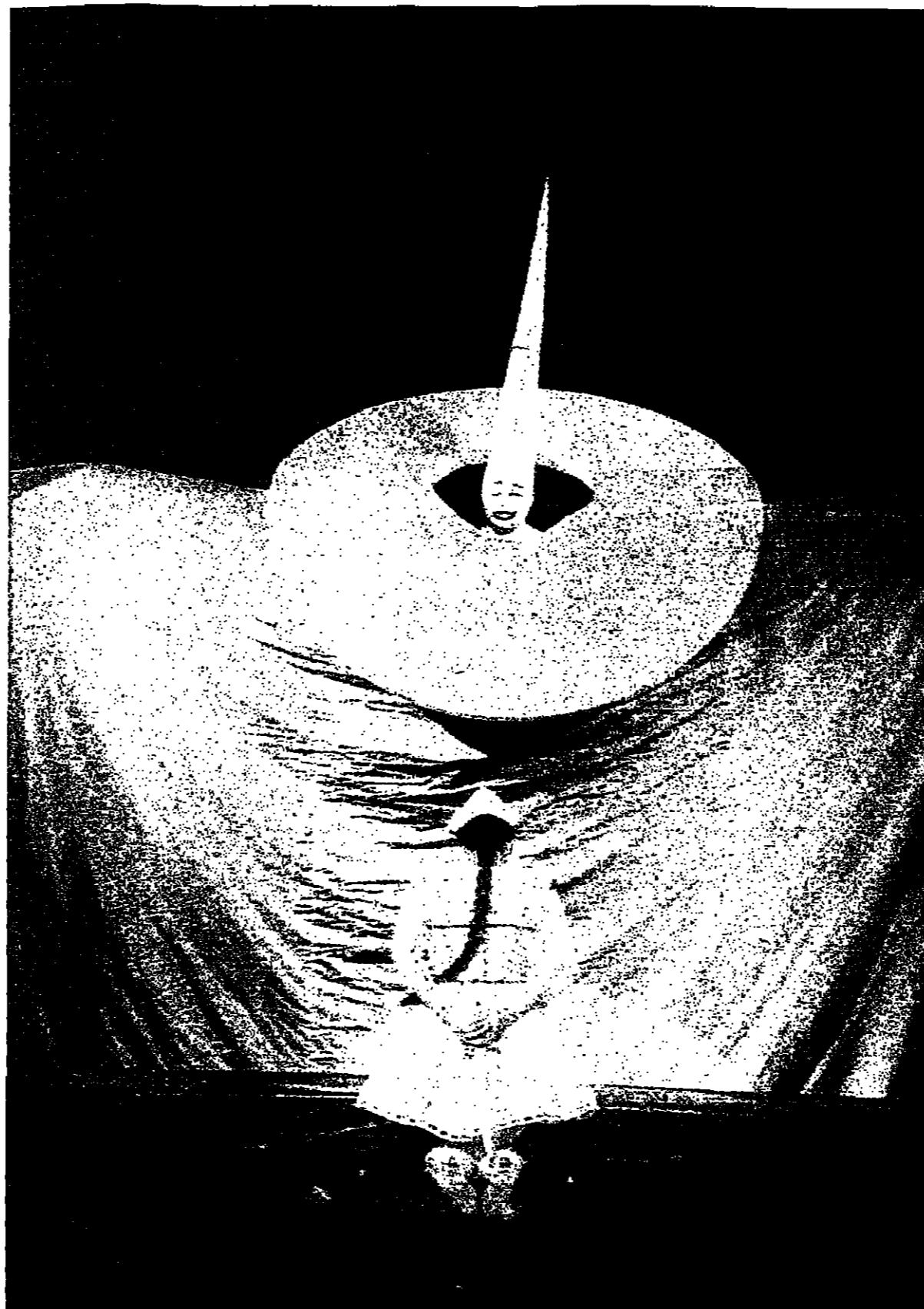
Within these limited terms of reference, the production succeeds. But if you're looking for expressive depth or the shafts of humanism that lie at the opera's heart, you will be disappointed. Freyer ignores the sinister undertones and masonic associations, and there is surprisingly little humour. As to the priests, it's anyone's guess what they are doing dressed as surreal circus creatures.

Christoph von Dohnányi and the Vienna Philharmonic have a subdued night in the pit, and the singing is adequate – rather than inspired – a trait common to all Mozart productions, it seems, in Gérard Mortier's Salzburg. Matthias Goerne's Papageno is a sketch which could, with more experience, develop into a full portrait. Michael Schade's Tamino makes little impression, while Sylvia McNair's Pamina is correct to a fault. As Queen of the Night, Natalie Dessay steals the show with her spirited and personable coloratura.

I'm not much more enthusiastic about *Die Entführung aus dem Serail*, this summer's other new Mozart staging. As entertainment it strays by, and the music is well served by Marek Minkowski, who secures light, breezy responses from the Mozarteum Orchestra. The Residenzhof, an acoustically vibrant courtyard with a canopy sealing it from the elements, provides an exotic setting as long as you don't mind hard plastic seats.

But does *Entführung* work as a present-day hostage drama? François Abou Salem, a Palestinian theatre director with no previous experience of opera, can't quite get the plot to match his thesis – that Arab values are misunderstood.

In Salem's scenario, the Pasha is a wealthy European-educated Moslem whose palace is in spitting distance of the Middle Eastern divide. His side of the barbed-wire fence is policed by gun-toting Arab youths, the other side by UN troops. Palestine? Beirut? The production never explains why this apparently civilised man, surrounded by glamorous, happy wives, should be holding a group of western hostages. Is he driven by reli-



Emphasis on poetic charm, naivety and illusion: Sylvia McNair as Pamina in Achim Freyer's new production of 'Die Zauberflöte'

gion, politics or love of Constanze?

The result is a right old muddle. Salem undermines his case by interpolating Mozart's music with Arabic flute solos and readings from what I assumed to be the Koran. How were we to know? Worst of all, the actor engaged to play the Pasha, Akram Tillawi, had insufficient command of German to make his speeches resonate.

The rest of the cast played their parts to the hilt. As Constanze, the lovely Christine Schäfer (Glyndebourne's Lulu) had the poise of a Greek tragedienne; "Martern

aller Arten" showed that her experiences with Berg have not damaged her command of Mozart. Franz Hawiata's Osmin was a *tour de force* – hot-tempered, brutish, easily led-on – and his waterlogged wooing of Malin Hartelius's sprightly Blonde, cavorting around the Pasha's swimming-pool, had a real sexual frisson.

Like *Entführung*, *Lucio Silla* ends with the volte-face of a man who has been using his power to demand sexual favours. Unlike *Entführung*, the plot is merely the peg for a string of display arias. Written for the 1773 Milan

carnival, *Lucio Silla* is not an opera for the faint-hearted. At Salzburg's Kleines Festspielhaus the first half lasts two hours, and the fact that it holds the attention says something about the eye-catching focus of Peter Mussbach's staging, first seen at the 1993 festival.

When Chéreau tackled this opera, he made it look severe and monotonous; Ponnelle turned it into a parable of enlightened humanity. Mussbach and his designer, Robert Longo, give it a stylised modern setting, brilliantly lit by Max Keller, and the

hothouse emotions of Mozart's classical archetypes come across more powerfully than ever.

What counts in *Lucio Silla*, however, is the singing: you really need a cast who can make light of the vocal ornaments. Salzburg's resources didn't stretch far enough – which begs the question: why put on the opera if you can't cast it properly? Even Susan Graham's Cecilio was sounding subdued. But Sylvain Cambreling and the Camerata Academica left us in no doubt about the teenage Mozart's energy and drive.

## Radio/Martin Hoyle A passage through India

In *Mediumwave*, the man from The Independent cried "the media is on the brink of a revolution" – adding later that this applied to all sorts of mediums. It was the week when a cub reporter spoke of alleged drug-dealing in "Ay Vom," her range of cultural reference taking in TV commercials for American cosmetics though not English counties or Shakespeare's river (or presumably Shakespeare's time-limit for drama). But then even Channel 4's recent panjandrum of the arts, Waldemar Januszczak, has yet to learn that Wagner never wrote an opera called "Tannhäuser".

A truce to this nit-picking. Last week saw a flood of programmes – fact, fiction, reportage, a typically excellent *On This Day* whose scheduled disappearance is one of the maddest of Jimmy "Slasher" Boyle's cuts – on the Indian sub-continent, marking the half-century of post-Raj independence. Admittedly nothing was as absorbing as Krishan Guru-Murthy's report for TV's *Newsnight*: on Indian princely families, with its unforgettable image of the wild-haired, staring-eyed Princess of Oude in her ruined folly, a lethal cocktail of crushed diamonds ready for her planned emulation of her mother's suicide, her whole being blazing with hatred for both the British and modern India.

Back on radio we had *Midnight's Legacy* and Mark Tully's *The Shadow of the Bazaar*.

The poor, possessed

princess could be excused for thinking it all a plot when we heard how Nehru (Harrow and Cambridge) was a "perfect gentleman". British in his outlook on many things including bacon and eggs and afternoon tea and biscuits. What explains the old love affair between the British and India? To begin with, at a very basic level, India took our language and imbued it with its own grace and cogency.

Gandhi's grandson, a distinguished philosopher, a quick, eager and generous speaker, makes most of our media academics sound small, cumbersome and self-advertising (cf *The Moral Maze*). *The Shadow of the Bazaar* was as crammed with facts as the sub-continent is with people: less than five per cent of the population actually speaks English though this remains the national linguistic link.

Taylor apparently hoped that "the working man's increased output would improve his wealth; but there was something Darwinian in his theory of the survival of the fittest: the strongest, the most mechanical, the least intelligent (no talking back, and the inevitable result that "he shall be so stupid that he most nearly resembles an ox"). His comparisons were with horses, trotting and hauling. "We are not dealing with horses or singing birds but with men," came the sharp congressional retort. Given our suspicion of Americanisation, of corporate jargon and steam-rolling internationalism, it was good to be reminded of the humane and simple principles on which the best of the American ethos is founded. A fascinating programme.

## The Edinburgh Fringe/Alastair Macaulay All smiles 'n' tears



Inarticulate quintessence of the 'Me' generation: Eileen Walsh and Cillian Murphy, touching in 'Disco Pigs'

the point – but also their particular half-baby argot. (Pig, comparing himself to Baywatch: "Easy-peasy take yah on, ye California babes.") At times, the language comes strangely close to Afro-Caribbean patois.) When one says "You're my best pal in de world" and the other replies "You're my life", the tenderness is shocking – it shocks them – and yet it is they who soon shatter their own myth.

In Pat Kiernan's direction, the two performers' body-language is often yet more memorable than their words. You are mesmerised by how they bask and shimmer on the dance floor (by their joy, not by their dance excellence); by the transfixed

stillness with which they try to address beauty and tenderness; by the vibrating hands of Pig as he bounces up and down in frustration; by Runt's raw pain as she comes off worse in a fight by the insistent disco rhythm of Pig as he smashes his rival up. And by their coarse, shining faces, fairly piggy, and very babyish.

Cullen paces it excellently. Was Lynne actually abused? Whose memory should we trust? How dangerous is Anna's anti-male agenda? For most of the play we do not know the answers: which works powerfully. The triangular struggle, though it is modern and Scottish and unsophisticated, is reminiscent of Henry James.

The melodramatic climax, when we do discover the answers, feels briefly like an anti-climax. But the post-

lude, which is not the ending we expected at all, is superb: and chilling. All three performers – Iona Carabalas as Lynne, John Stahl as David, Anne Marie Timoney as Anna – do very well. All three shed tears, and look bedraggled at curtain-calls; it is that kind of a play.

*Knives in Hens* (Traverse One) has been altered by its author David Harrower in several details since it was new in 1995; but its core essence is the same. It is still a poetic play – presumably set in medieval times, but this is left unspecific – about a young married woman's process of self-liberation. Simplicity, she strives to wrest language to her own use and not merely that of her hus-

band and her upbringing: she learns that her husband's and the village's prejudices are not all correct; she learns to distinguish hatred from fear, and to find a connection between fear and love.

It, too, is a triangular play – its three characters are the nameless heroine, Pony William her husband, and Gilbert Horn the miller – and among its accomplishments is the fact that the narrative climax (the manner of her husband's death) is not made the dramatic climax. The Scottish cast is first-rate, and Pauline Knowles as the heroine is haunting both in her utterance and in her stillness. Watching it a second time, I found it more suspenseful, and every bit as touching.

*The Suicide* (Traverse One) is Comunicado Theatre Company's staging, directed by Gerry Mulgrew, of Nikolai Erdman's "death-defying" comedy. Soviet comedy, like Restoration tragedy, seems like a contradiction in terms: to bring it off successfully in performance needs flair.

Comunicado's performance, an ensemble of speed and vigour and zest, has that.

Semyon, who feels unappreciated, toys with the idea of suicide. The Russian community around him for various reasons of politics and intrigue, encourages him, and gives him a great send-off. He is, however, less fond of the trigger than of the champagne-cork. His wife and vexatious mother-in-law want to keep him alive but are embarrassed when they find he is...

The play is in the Gogol tradition, full of cartoon send-ups of provincial absurdity, and it is also a delicious satire of life under communist rule. The cast is large, and the actors keep things fast and furious. It is perfectly clear to us that, were it played at another tempo, we would be watching a bitter tragedy, and we laugh all the more.

## The hybrid attraction

Forkbeard Fantasy will arrive on the Edinburgh Fringe next week with *The Fall of The House Of Ushermettes* only to find their thunder already stolen by a Catalan company in the International Festival. In its current show, *Blinded By Love* (*Cegada De Amor*), Barcelona's La Cubana company venture into the Forkbeards' special territory, that of blending live action more or less seamlessly with film. Three-D glasses are provided, but it soon becomes clear that the special effects go far beyond such toys.

Members of the company usher the audience through a vestibule exhibition of Catalan culture to their seats in the Conference Centre auditorium: a curtain-raising duet, as kitschy as every number in the show, is sung; the film rolls. A bright, jolly (and inevitably musical) party scene is interrupted when the ageing child star storms off the set; the cameras then dwell on behind-the-scenes crises.

During these 20 minutes or so, shouts occasionally emerge from performers planted in the audience: a number outburst that the film is in Catalan rather than Castilian, another who apparently keeps getting groped by her neighbours, a couple of yobs. Eventually the characters on the screen stop their argument and peer down into the auditorium, demanding to know what is going on.

At this point the show becomes a live-action cousin of Woody Allen's *The Purple Rose Of Cairo*: characters quite literally burst through the screen onto the stage.

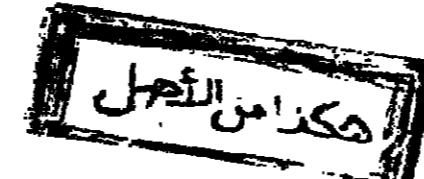
The timing and integration of these moments is astounding; figures onstage and in the auditorium argue (in English) with their surtitlied fellows on the screen. The traffic becomes two-way, as the molested woman from the audience takes refuge in the film and a psychiatrist is invited from the stalls onto the screen to try to persuade the tearful Estrellita to return to the film set. By the end, even a couple of dozen audience extras have been subsumed onto celluloid; at an earlier point, the film appears to melt, suddenly spewing characters onto the stage.

What may at first seem simply clever, playful gizmo gradually reduces the audience until, at the end, we even applaud the movie's production crew as they take their bows on film only (and yes, everyone stayed for the final credits). The entire design, both two- and three-dimensional, is comically garish; John Vives' songs are laughably bad, and film director Fernando Colomé brings the same wry tone to his footage as was evident in his recent British release *El Precio*.

*Effect*: One hopes heartily that the cineaste currently around the corner at the Film Festival can be enticed along to fixate in this bizarre hybrid.

Ian Shuttleworth

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# How to Spend It

Fashion

## Me and Tom Cruise at the tailor

Charles Leadbeater finds getting married a fine excuse to venture into Savile Row for his first bespoke suit

In all honesty, it's difficult to escape the conclusion that Jim Levert was slumming it a bit when he made my suit.

The sense of being out of my league started to come over me when I was in the changing cubicle for the first fitting for my wedding outfit.

Levert, one of the finest tailors on Savile Row it turned out, was discussing with a colleague how smart Tom Cruise had looked at the Oscar ceremony, in one of Levert's recent creations.

Cruise's wife Nicole Kidman was due in shortly afterwards for a fitting for a trouser suit. Noel and Liam Gallagher of Oasis and their brides had Levert to thank for their outfit.

The fact that he seemed to treat me (freelance writer getting married at a community centre in the East End of London) in the same way as he would have treated them, is testimony to the standards of service still available on Savile Row.

It is not true, as friends of mine have alleged only half tongue in cheek, that the main reason I wanted to get married was to give myself an excuse to buy a new outfit. But they had a point.

Our wedding was not going to be a morning suit affair, with men hiding a lack of taste behind a uniform suit of black, white and grey. I knew that I did not want any old lounge suit. I wanted to have something made for the day, of a kind that I would never get made or necessarily wear again. Why should women have all the fun with clothes?

But these were high stakes. My mother-in-law-to-be warned me, with a glint of steel in her eye, that she would never talk to me again if I either upstaged her daughter or, more likely she feared, brought disgrace upon the family.

Savile Row had always fascinated me. I had wondered, rather sceptically, whether getting a suit made there would be as special an experience as its devotees claim.

Picking out Richard James, arguably London's trendiest tailor, was not hard. Although he is best known for tailoring the likes of Oasis, his suits are a reworking of a very English, slightly conservative, style: slightly flared, sometimes with a velvet

collar, his jackets are often mistaken for something one would go hunting in if one did not live in Hackney.

His bespoke tailoring is done by Jim Levert, who works nearby and has been on Savile Row for 35 years.

One of the most striking things about getting a suit made on Savile Row is that in a world where everything else is speeding up, traditional tailoring keeps a slower pace. In most walks of life, doing things faster is a sign of progress and intelligence. In Savile Row, it's the other way round.

My first fitting was three months before the big day. To be on the safe side you need to leave at least six weeks to get a suit made properly. Getting it to fit perfectly takes fitting and refitting; it cannot be rushed.

To savour the experience to the

slightest brunt or grimace as I explained what I wanted: navy blue frock coat made from light-weight English worsted, with narrow trousers, an orange lining and matching orange stitching around the button holes.

With Lamb's help I picked out a material from racks of samples. You could have virtually anything made of any material on Savile Row.

After a few discreet inquiries about my weight and waistline, Levert rapidly sized me up and turned my frame into a series of incomprehensible numbers. He went off and turned these numbers into a pattern and ordered the materials: the orange button-hole twist was particularly difficult to find, which pleased me no end.

The pattern was then used by specialist trouser and jacket makers to run up the first, rough shape, which I went back to try on about four weeks later.

At that stage, the suit was held together by large stitches of white thread. It was nothing more than an outline of the final garment but it already felt lighter and more comfortable to wear than the most expensive off-the-peg suits I had bought.

After another discussion, we agreed on some minor changes. It took a further fitting before I was satisfied and another one after that before Levert was happy. By the end, he was more concerned that the suit should look perfect than I was.

The Savile Row experience is not cheap. My suit was a little more than £1,400. A Richard James made-to-measure lounge suit would cost about £250.

But I have to say it was worth every penny. In the modern age of cook-chilled foods and channel-hopping television, it is remarkable to have that kind of skill and attention lavished upon you, even if it's just once in a lifetime.

Except, in my case, it probably will not be. After having a piece of clothing made for your frame, it's difficult to resist the temptation to do it again, particularly if you are weak-willed.

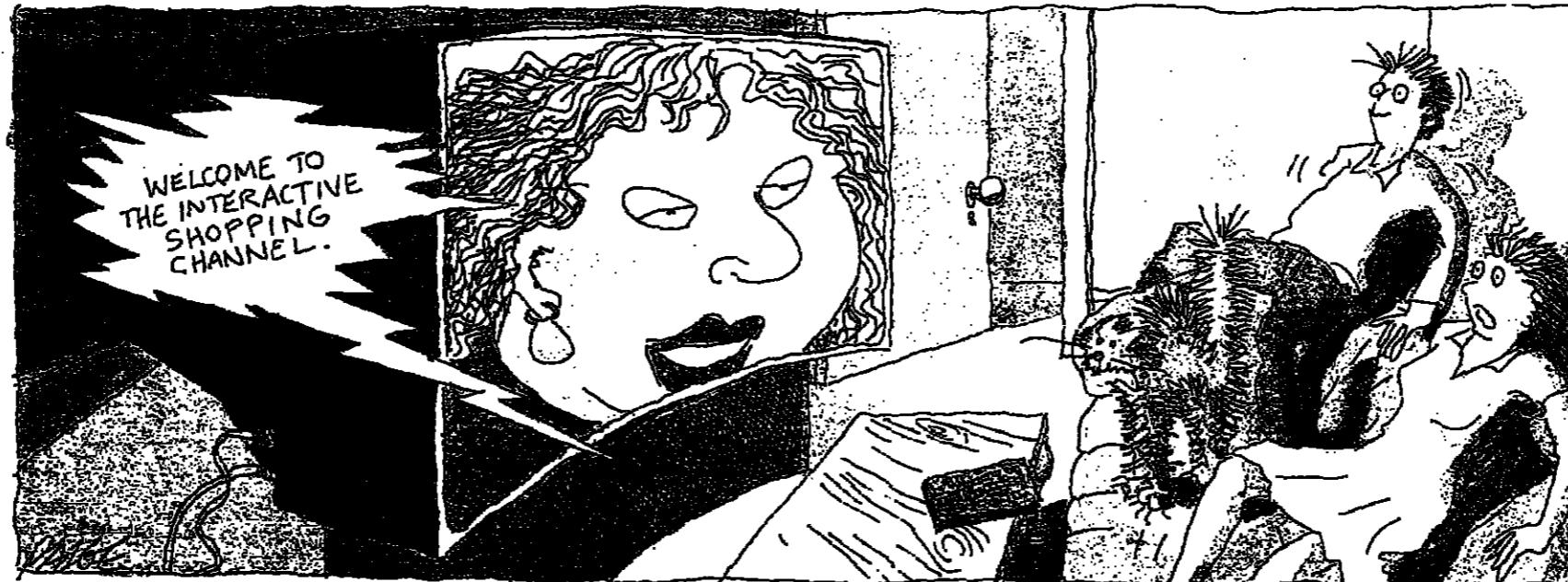
And as Levert explained: "Once we have your pattern we keep it on file, ready to use again. So you can just call us and ask us to make you up a suit in a particular fabric." Savile Row, the original mail order clothes business.



Charles Leadbeater: 'My mother-in-law-to-be warned me that she would never talk to me again if I upstaged her daughter'

## An overpowering presence

While the vogue is for all things smaller, televisions are getting bigger, reports Peter Knight



equipped with a Scart socket - a long multi-pin socket at the back that will take a feed from a set-top decoder.

The initial benefit of digital transmission for viewers will be more specialist channels (cooking, home improvements, shopping and so on) and more pay-per-view television, where a subscriber pays a fee to see a particular sports event or movie. Sky already offers this service on big boxing events.

Digital television will offer greater choice in films and more convenient viewing times. Broadcasters will have sufficient channels to screen a number of movies at the same time. The system, known as "near video on demand", is similar to that found

in hotels which offer a choice of films at particular times.

"Home cinema" television sets attempt to create a movie-like experience in the home and have been available for about three years. They differ from ordinary sets in the size of the screen, which is usually 82cm wide and rectangular, and, more importantly, in the quality of sound.

The Dolby Surround Sound Pro Logic system - don't ask how they thought that one up - has five speakers. Four are independent of the set and you place them in various parts of the room to get the "surround" sound.

The film or programme has to be recorded and broadcast in that Dolby system, and an increasing number are. Video players - if

you are using a pre-recorded video tape - must have the necessary electronics to decipher the coding on the tape. The electronics inside the television set separates different sounds and distributes them to various speakers.

This means that if, say, a gun is fired on the right-hand side of the screen, the sound will come from your right. If a car speeds across the screen, the sound will start on one side and move to the other.

Films have to be transmitted in the right format to appear on the sets in the right shape and with optimum resolution. Home cinema sets cost from £200 upwards, depending on screen size and the complexity of the electronics.

Some have the speakers built in, which saves the hassle of laying wires around the room, but be prepared to compromise on sound quality with this option.

Manufacturers are increasingly offering variations on a theme. Some sets, for example, can be switched between a square and rectangular screen. A few offer screens with higher resolution and less flicker than others, and so on.

Many of these offerings are described by nonsensical brand names, which can make the choice even more confusing. You generally pay more for each feature, so ask for explanations until you thoroughly understand what's on offer.

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Sony is selling two flat-screen

sets, one with a 50ins screen (£4,999) and another with a 37ins screen (£3,799). These sets, while still bulky, are considerably flatter than conventional home cinema sets. The flat screen gives a good picture and it is wonderful for sport, but it does distort, leaving sleek presenters looking plump.

### Problems

The biggest problem with big sets is their large presence. Their size and colour (invariably black) can overpower a room. Conventional sets also protrude a long way at the back, making it difficult to find a suitable place for them.

"You can never make these sets attractive," says Carla Brandt of CB Design in the Netherlands, an interior designer working mainly in continental Europe.

She thinks they are best hidden. Her suggestion is to make a low table from inexpensive wood and design it to accommodate the set inside the structure, just below the table top.

"It can be made of the cheapest chipboard. Then you cover the table with a beautiful, long table cloth. This does not have to be expensive, either, because you can buy it from a market. When you want to watch television, you simply lift the cloth and fold it on top of the table."

Other designers have tried various solutions, all complicated and expensive. Some build a false wall and place the television set in it, with the back occupying the cavity. This gives the appearance of a hanging screen and Brandt suggests covering the screen with a painting on hinges.

Flat screens will save a lot of trouble, although the popularity of the current generation of large sets shows that people are happy to put up with a plastic giant in the room for the benefits of big pictures and dynamic sound.

Some even find it improves their reading.

## MOTORING

John Stuttard works for the City accountancy firm of Coopers & Lybrand and drives a pink Rolls-Royce. That is the kind of bold statement likely to demote even Porsche drivers to second place in the hooligans' top 10 i-wanna-scratch-your-car rankings.

To do it, however, they would have to travel to Beijing. They would then have to be heartless enough to mar not a sybaritic Silver Spirit but a charismatic piece of automotive engineering now 63 years old - a 20/25 Barker Sports Saloon. By then, in any case, vandalism would be forgotten in favour of puzzlement.

Why on earth that huge bull bar fortifying the front? Why the Pompidou Centre of a roof rack with wheels and other assorted hardware attached? Why is that CD player lurking incongruously near the stately old dash? And why pink? Not any old pink but a hue which, splashed around in the volumes needed for the mighty old Roller - beg pardon, Royce, as the aficionados will have it - might reasonably be described as dietary pink (stand close, take long look, lose ability to eat for a week).

The answer is that John Stuttard, who is the Beijing-based chairman of Coopers & Lybrand China, is going to Paris. The hard way. Overland. Through such inconveniences of terrain as Tibet and Nepal on a route covering around 10,600 miles (17,000km) and expected to take 43 days to traverse.

Stuttard and his four fellow crew members are competing in the 1997 Beijing to Paris Motor Challenge, being staged on the 80th anniversary of the original marathon between the two capitals nearly half a world apart and which has passed into legend as one of motoring's truly great sagas.

The pink - blame the FT - car, affectionately known as "Harrison", carries the newspaper's sponsorship, among several other supporters (including Standard Chartered and Jardine Fleming), for reasons not hard to ascertain. We have men of the City, engaged in real-life physical, not merely financial, derring-do. We have globalisation - well, half of it - in an altogether more entertaining context than a strategy statement from the boardroom. There will be good deeds for charity. Better yet, says Stuttard, Harrison doesn't have to deliver any papers.

The challenge, which begins in Beijing on September 6 and is due to end, for the survivors, at the Place de la Concorde in Paris on October 18, is daunting. The risks to life and limb are more serious than deflecting the "Lady Penelope" jets inevitably aimed at Stuttard in token of the puce Rolls-Royce in the Thunderbirds children's TV series.

To share the risks, Harrison will be carrying two more of Coopers & Lybrand's old China hands, Simon Anderson and Gordon Barrass (both now based in the UK); friend and enthusiast David Colvin, UK ambassador to Belgium; and engineer Roy O'Sullivan who has prepared the Rolls for the odyssey.

Stuttard knows well, however, what he and his companions are in for. He has undertaken several long-distance rallies in the car, including two Monte Carlo classics, since acquiring the 20/25 at auction in 1988.

Preparation for the rally has taken many months and has some unexpected facets. The complex burglar alarm that has been installed, for example, is to confound the dastardly not just because of the cost and inconvenience of losing the car. The carnet system operating in India, Pakistan and Iran, would, if the car were stolen, mean that 80 per cent of its declared value would have to be paid to customs for failing to re-export it. As a further security measure, Stuttard and Lord Montague are to chain and padlock their cars at night - the Rolls to Lord Montague's 1914 Prince Henry Vauxhall.

Two extra fuel tanks have been installed in the boot; needed for a car expected to travel only 12-13 miles on every gallon through terrain where refuelling stations will sometimes be several hundred miles apart. There are back-up fuel pumps, a modern oil filtration system - vital for the choking dust expected over several thousand miles - and heavier duty cross-ply tyres that were fitted to such a Rolls at the factory.

They have the important effect of raising the car's ground clearance to 10 inches - handy for bucketing over the unpaved roads that will make up much of the rally and along which the agile old Rolls is expected to romp at up to 85 miles an hour. "She goes like a bomb," says Stuttard - even when laden with the extra equipment, which includes two spare tyres as well as an extra spare wheel.

The paperwork can be as big a job as the driving. It took an age to get insurance cover, for example - now acquired through a specialist for £2,000, although it doesn't cover theft. That would have meant a bill for £5,000 and, says Stuttard, "it's cheaper to have someone with the vehicle all the time".

To the relief of all the crews, Philip Young, the rally organiser, has put together a rescue service which, for £750, will repatriate a stricken car to the owners' country of origin.

Space and weight are at a premium, so each team member is entitled only to a small holdall. It comes down to a clean T-shirt each day plus lightweight washable trousers. With no plans to

shave for six weeks, Stuttard acknowledges there will be the need for more than a wash'n'brush-up before venturing back into the office.

The crew, meanwhile, is having its precautionary injections, including against rabies. Two first aid kits, including saline solutions, and an automatic fire extinguisher system designed to close engine bay and crew compartment of the more sombre accessories.

Stuttard concedes that, on aesthetic grounds, Henry Royce

will rotate like a crankshaft in his grave over the CD - thus the speakers are hidden in the headlining, the discs themselves under seats. But the crew felt some musical diversion was a necessity over the many long miles ahead.

"Each crew member gets a choice of two CDs; a bit like desert island discs, really," says Stuttard, indicating, however, that the choice of Grateful Dead might involve the chooser in a longish walk. Wagner's Valkyries, on the other hand, could

come in useful for inspiring an extra turn of speed.

Along the route, the FT car and its crew plan a series of fund-raising activities for the Red Cross, an appropriate charity given the humanitarian aid projects in which it has been involved in many of the countries making up the route.

There are clear-cut goals for this fund-raising. Stuttard and his colleagues at Coopers & Lybrand want to raise £50,000 to teach Red Cross teams in Nepal how to deal with the natural disasters to which the country is prone. The project is dedicated to the memory of Peter Walsh, a former colleague and Red Cross trustee who died of cancer last year.

As part of the fund-raising,

Coopers & Lybrand offices along the way will be organising

functions in cities such as Kathmandu, Lahore and Istanbul to coincide with rally "rest" days.

The adventure is now

approaching fast. The cars of UK-based competitors are en route by sea from Felixstowe to

Beijing, to arrive later this month in preparation for scrutiny and the departure from Beijing. The FT's man in Beijing, Tony Walker, is hoping to accompany the Rolls at least as far as Lhasa.

Along with the 100 other competing crews, Stuttard hopes that the challenger facing the Beijing-Paris competitors will only be physical - not the political ones which confronted the last major rally through much of the region, the London-Sydney marathon of 1988.

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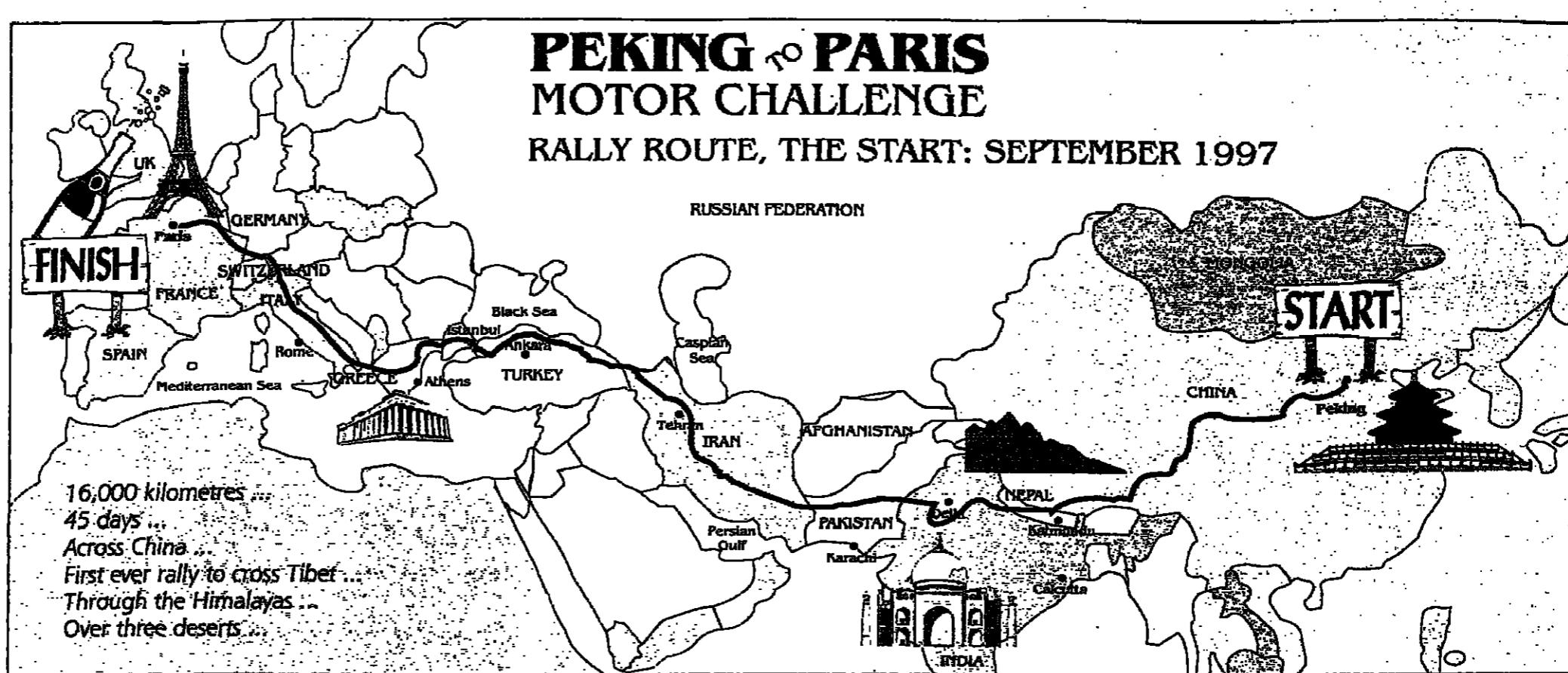
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■ Donations can be sent to Kate

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## Odyssey in a pink Rolls-Royce

Ninety years after the first Beijing to Paris rally, another is about to begin. John Griffiths reports on a team with a 63-year-old car



Gordon Barrass



David Colvin



Stuttard (left), chairman of Coopers & Lybrand China, and David Colvin, UK ambassador to Belgium, with the 20/25 Barker Sports Saloon



John Stuttard, team leader



Roy O'Sullivan, team engineer

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resulted in more than 100 more than cars and crews having to be airlifted between Ankara and New Delhi by Russian Antonov superfreighters.

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WC2N 6NN, marked "Peking to Paris Account".

Beijing, to arrive later this month in preparation for scrutiny and the departure from Beijing. The FT's man in Beijing, Tony Walker, is hoping to accompany the Rolls at least as far as Lhasa.

Along with the 100 other competing crews, Stuttard hopes that the challenger facing the Beijing-Paris competitors will only be physical - not the political ones which confronted the last major rally through much of the region, the London-Sydney marathon of 1988.

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## FOOD AND DRINK

Every true Briton has a vision of the perfect pub. It is probably in the country, beside a slow-moving stream or river. It might be thatched or half-timbered, and inside there are quiet, intimate bars, bare boards and settles, a roaring fire and a landlord or landlady who exude hearty charm. Good ale and hearty, old-fashioned, English food is indispensable; decent wine and more refined cooking is optional extra.

It might be in town. In which case it will add a note of urban sophistication to the brew with its tin glasses, well-turned old bar fittings, and a friendly, regular crowd of like-minded souls.

It is hardly necessary for me to add that such pubs are rare. The brewers have often been to blame for this. Philistine management companies or individual landlords destroyed countless pubs in the 1960s and 1970s, chiefly when the old bars, glass and fittings were ripped out in a misguided attempt to democratise the interior spaces and add

a few Foyne's flourishes to lure in the swillers.

In recent years Camra, the pressure group, has woken up to the threat to Britain's heritage and sponsored an annual award to preserve historic pubs.

Names are also important. There used to be, for example, countless Kings of Prussia up and down the land, which celebrated the "Protestant" King Frederick's signal victory over the French at Rossbach in 1757. They fell victim to an upsurge of jingoism in 1914, and became so many Lord Kitchens and King Georges. Elsewhere an Elephant and Castle (Infanta de Castille), a Bull and Gate (Boulogne Gate) or an Empress of Russia served to punctuate

the last time I looked, however, the "Boiler" had become the "Old Rangoon", a tiresome theme pub filled with potted palms and solar topees. Joky names have replaced landmarks from centuries old. As many as half the pubs in my local high street have lost their original names in the last few years and add

European history as perceived by the common man. The names as often as not were distorted in an informal game of "Chinese whispers".

An example used to be found in Barnes in south London: locals had trouble wrapping their lips around the "Boilean Arms", and changed the name of the great French satirist into a "Boiler".

The last time I looked, however, the "Boiler" had become the "Old Rangoon", a tiresome theme pub filled with potted palms and solar topees. Joky names have replaced landmarks from centuries old. As many as half the pubs in my local high street have lost their original names in the last few years and add

been turned into the "Vulture's Perch" or the "Pig and Porpoise". Camra or the heritage people might go one further and require pubs that wish to change their names to display the old one, as in "Murphy's Bar, formerly the George and Dragon".

Generally pubs become historic monuments because they are old or picturesque, or as a result of their bearing witness to the great events of British history. The Black Friar in the City of London is important on both counts: its name commemorates the Dominican Friary on its site, which was almost totally eradicated after the Reformation, and because it is an almost unique example of a pub

which is a genuine work of art. The original building dates from the 1870s. At the turn of the century, however, the far-sighted licensee, Mr Petit, commissioned the architect H. Fuller Clark and the sculptor Henry Poole RA, to transform it inside and out into a celebration of the profligate lives of pre-Reformation friars. Twenty years later the team added the Snack Bar in the same idiom, but with a few contemporary, art deco, touches thrown in.

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The Black Friar is a delight to the eye: architecturally speaking, possibly the best pub in England. With a little imagination, however, it might be made to appeal a little more to the "inner man". The beer on tap is good enough - Marstons Pedigree, Adnams, and Eldridge Pope - but that is where it ends. The bottled beers are the usual American trash, the wine list is a joke, and the food on offer makes a mockery of the loveliest snack bar in the country, not to mention the appetising scenes which cover the walls. Come on Allied, perfection is within your grasp: seize the moment.

■ *The Black Friar, 174 Queen Victoria Street, EC4. Tel: 0171-236 5530. Closed at weekends.*

Devils adorn the fire-dogs.

Maya Kardum

row ("a good thing is soon snatched up") fishing for trout and eels ("tomorrow will be Friday"), harvesting grapes, melons and onions or diverting themselves by playing their sackbuts.

The outside is covered in

plaques and glass showing various monkish scenes, but the real glories are inside: bas reliefs show somnolent pot-bellied friars doing their rounds, picking up a trussed pig in a wheel bar-

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## Sardinia - home of the seasonal kitchen

Imported flavours are making their mark on the island this summer, says Philippa Davenport

**T**he potatoes, spinach, globe artichokes, courgettes and tomatoes that I ate in Sardinia earlier this summer were as wonderful as I remember from years ago. Simply the best I have eaten.

This accords with the belief that Sardinia is one of the last west European outposts of the truly territorial and genuinely seasonal kitchen.

Traditionally, imports to the island have been few. The choice of locally grown crops available at any one time has been limited, but their quality was without parallel, grown without chemicals and allowed to mature in their own good time, intensely flavoured and magnificently fresh.

Change is not willingly entertained in Sardinia so it came as a rude surprise to discover that this self-reliance is now prey to the universal quest for Novelty.

The mountains interior of the island probably remains faithful to the time-honoured way of eating, but elsewhere, in shops and markets in the tourist terrain of the Costa Smeralda, and along the northernmost slice of the country, fruit and vegetable stands have acquired a new look. Vegetables grown in the immediate vicinity are still to be found but they have been joined by produce from southern Sardinia and farther afield.

I was shocked to see Florentine fennel on sale in early June. By rights this is a vegetable that belongs to the cooler months of the year.

Even more shocking was the sight of a winter vegetable that hails from Flanders: whitloof chicory, or Belgian as the Sards call it. Mounds of it were everywhere.

No one I spoke to used the forced white spears of Belgian chicory. This struck me as an additional pity. For if one is going to break rank with seasonal etiquette and serve chicory at this time of year, it is surely more interesting to eat it braised than raw in salads.

The recipes that follow reflect the less-than-totally-Sardinian

flavours that are making their mark on the island's coastal fringes this summer. They are an Anglo-Sardinian amalgam - and rather more cosmopolitan than that, displaying, as "English" cooking often does, a magpie tendency to absorb other influences.

In Sardinia, pigs are enjoyed at any age, grown to yield generous hams, or sacrificed as the weenest of piglets, when the juicy meat sealed under parchment thin crackling is a spit-roast speciality.

In Britain more mature pigs are preferred for roasting, and crackling is considered by many to be the chief virtue of roast pork... if you can get it. The sad fact is that pork has all but disappeared from British menus in recent years because the anti-fat brigade has frightened most producers into breeding ultra-lean pigs with such dull, dry flesh and flaccid skin that it is no pleasure to eat.

To enjoy British pork that is as rich, delicious and piggy as it should be, buy only from a butcher selling free-range or organically raised traditional breeds. Remember that fat equals flavour, that cheap cuts of pork are as suitable if not better for roasting than the prime cuts, and that good roast pork is as sumptuous to eat cold as hot.

Instead of the classic English apple sauce, with or without a sprig of sage buried in it, I favour cutting the richness of roast belly with a fragrant whiff of eastern spices, and I suggest keeping vegetable accompaniments simple - lots of plain boiled or mashed potato, clear-tasting braised chicory, and fresh watercress.

I have given up the British habit of roasting pork with its rind in situ. Maybe I am mistaken but cooking it separately seems to frazzle it more lightly and crisply, so the tooth-cracking dangers diminish.

It used to be common practice after pig-killing in England to melt down the skin and fat to make lard. The crisp little bits that refused to dissolve were variously known as scratchings, scruggins or crappins according to region, and they were a popular



A market stall in the central piazza of Aglientu, Sardinia

lar ingredient in baking, mixed with currants, plus a little spice maybe, added to a heel of bread dough to make a modest cake.

In Sardinia and various parts of mainland Italy, the same crusty leftovers from rendered-down pork fat, known as *ciccioli*, are similarly incorporated into

sweet and savoury *focaccia*-type breads. Alternatively, *ciccioli* are simply sprinkled with salt to serve as a nibble with aperitifs - a superior snack to the commercial packets of so-called pork scratchings occasionally found in British pubs. The home-made version deserves revival here.

### SPICED AND ROAST BELLY OF PORK

(serves four hot or cold)

Few recipes are easier than this, which is particularly good to eat cold.

It needs no attention while it cooks, and does not even require the oven to be pre-heated, but do

not attempt it unless you have access to pork of excellent provenance. The meat of intensively farmed modern breeds of pig is not worth eating.

1½-2kg thick end belly of pork; scant 1 tsp each freshly ground coriander seed, crushed fennel seed, Chinese five-spice powder,

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## OUTDOORS

# Rosemoor

## Taking stock of segregation in Devon

'Could have done better' is the verdict of Robin Lane Fox's veteran visitors

**T**he sun has been up, the FT Index has been even higher and many are enjoying a celebratory holiday.

Holidays are a particular concern of two of this column's regular followers, James Stock Tracker and his American wife Nancy. The Stock Trackers' recipe for a good life is simple: latch on to others, enjoy their efforts and never become involved or take a position yourself.

The summer is being spent pleasantly in Stock Tracker style. They have applied their principle to horse racing and have enjoyed the best of Ascot and an excellent Goodwood without any intention whatsoever of buying a racehorse themselves. They have given some remarkably stress-free dinners ever since Nancy discovered the little-known address at which she can order the best of Raymond Blanc pre-cooked.

Every August, they turn their attention to gardening, or rather, garden-watching. No self-respecting Stock Tracker would go anywhere near a flowerbed. Better by far to visit other people's efforts without even learning how to mix weedkiller in water.

Nancy has never seen the West Country and last week, the Stock Trackers made the long journey across Exmoor to the much-publicised western outpost of the Royal Horticultural Society. In the 1960s, the RHS indulged in a brief flurry of behaviour as if it were a division of the National Trust. It took on the offer of two private gardens, Hyde Hall, with its vivid display of roses, in Essex and Rosemoor,

the kind gift of the then Lady Anne Palmer, near Great Torrington in Devon.

The Stock Trackers hugely enjoy Royal Ascot and they assumed that they would enjoy the Royal Horticultural Society's style of gardening, too.

On arrival, they were mildly surprised to see a garden on the left of the road with No Entry signs on its gates, even though they seemed to lead into established canopies of trees. Instead, they were turned right on to the familiar entry-route of almost any Heritage paying centre in Britain.

Between the gift shop and the restaurant, they found themselves on a terrace, looking over acres of former grassland and a chunky flight of garden steps.

Nancy is a great believer in the old principles of Georgian England and its landscape gardeners. She particularly values their advice about "consulting the genius of the place". The Rosemoor field did not, to be fair, have much genius, but it did slope down to join a hillside of pleasant, broad-leaved trees which struck her as a peaceful feature for elaboration.

Peace was not exactly the mood of the intervening landscape. The top terrace was defined by large clumps of the yellow variegated Phormium, which has never been one of the Stock Trackers' favourites. The jazziness of the leaves collided with a surrounding carpet of half-hardy Salvia and all sorts of relations of the marguerite in a colour-flash which was not exactly restful.

The main walk of the garden was aligned on the chunky steps and focused on a circular garden pool with coping. On either side, individual enclosures were hedged off by barriers of yew, giving the former meadow an oddly busy appearance.

James likes the classic style of pond and was surprised to find that the Rosemoor centrepiece had one retaining wall much higher than the other in order to cope with the sloping ground. It looked most peculiar when viewed from the side axis and was not improved by a low plume of a fountain which resembled an under-powered jacuzzi.

Standards of maintenance were as admirable as the many visitors would expect from the RHS, but there was a surprising preference for layers of roughly chopped wood-chippings, which were most unlikely to decompose and reminded the Stock Trackers of bedding for thoroughbreds they

had seen on a guided tour of Newmarket.

In August, the main eruptions of colour are in a modern rose garden which is pulsating with carmine, scarlet and tall stems of the salmon-orange rose Alexander which is allowed to poke above the line of the hedges.

The Stock Trackers had believed that these Technicolor modern collections were going out of fashion, except in municipal parks, but the Rosemoor special effects were remarkably powerful. Beyond it, a square enclosure was devoted almost entirely to strong shades of red and yellow, but the tones were much more harsh than those that had enjoyed last year at Hardwick Hall and were not improved by the curious addition of mauve Monarda and some very strongly coloured Verbenas.

Nancy was starting to think that this vivid assault on a former meadow was designed for people who sat at home in the ground floor of Bloomingdale's in her native New York. James began to realise that most of the planting had landed there on a principle of segregation.

One enclosure had new roses, another old roses, another had silver, brown and variegated foliage, another had the red and yellow riot: the long border which cut sideways through these units was colour-coded.

**T**he Stock Trackers were wondering how to find the original Rosemoor Garden when they found themselves out in a densely chipped area of mulching and followed the signpost under the road so as to double back on their tracks.

Near the old Croquet Lawn the same fondness for conifers, mixed Phormiums and silver leaves re-emerged and the Stock Trackers were surprised to see

accompanying dots of the strong yellow-leaved Campanula giganica Dickson's Gold. The brown stones and brown surfacing were not the most plausible match for silver leaves and Eucalyptus. The dark grey surfacing of the paths were no more congenial.

As committed non-members of the RHS, the Stock Trackers were relieved that they had not engaged personally in a style of gardening which was so exhausting.

Returning in silence towards the Exit Car Park, they found themselves thinking that the main site would have looked much more harmonious if it had been made into a gentle arboretum and left to blend with the woods.

It was a relief to enter the Plant Centre and play nothing more than the usual Stock Tracker game of checking prices on plants which they had no intention of buying themselves.

They were surprised to find how many of the herbaceous plants were priced at more than £5 each and how little was on offer to encourage members at less than £3. They are veterans of Plant Centre tracking and by now they know only too well the tell-tale labels which reveal that almost all the stock has been brought in from another source.

The Stock Trackers wondered how many people came for a walk and the shopping and how many came with a serious critical eye, relating the experience to the delicate, mixed planting of important private gardens.

Back in the car park, they decided next year to go back to Kiftsgate Court in Gloucestershire where the gardens have been run without the intervention of any trust or institution throughout this century and the plants on the stands are grown for sale by the owners themselves.

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Elizabeth Braimbridge: her enthusiasm for the evergreen box is catching

Tony Andrews

### Box Nursery

## Free thinking and free-growing

Clive Fewins talks to an advocate of natural forms

Her biggest order was to supply 35,000 dwarf plants to the newly restored Privy Garden at Hampton Court. Unusual topiary masters have included a life-size Maserati for a pop star and the letters Q&K for a football enthusiast.

Last autumn a man from Paris walked into the nursery and spent £6,000 on large topiary.

The Hampton Court variety was Suffritosa, a dwarf version of the common box, *buxus sempervirens*.

Faulkner is recommended as a low-growing variety that is good for hedging and ground cover. It is a microphylla, one of a group of small-leaved Asiatic boxwoods. It thrives in dry conditions and is hardy.

Another favourite is a blue variety she recently added to her catalogue. She first obtained it from the Royal Horticultural Society at Wisley and calls it Wisley Blue.

Braimbridge recommends it for a tall hedge; it has a big leaf and will grow strongly up to 6ft. For even taller screens she suggests Rotundifolia or Blauer Heinrich, both forms of *sempervirens*.

Braimbridge, who has a

full-time staff of four in addition to her retired cardiac surgeon husband Mark, who acts as delivery man when he is not chairing

meetings of the European Boxwood and Topiary Society he helped found, is modest about the scale of her achievement.

But she is described by Lynn Batdorf, of the Washington-based International Registration Authority for Cultivated Boxwood, as "having done more for box in the past 10 years than all the other enthusiasts have achieved this century".

Excitement shines in Braimbridge's eyes when she talks about what is obviously to be the event of her year: the six plants - all species new to her - that she is expecting from Cuba this summer. They will be brought by a Cuban academic and box specialist who will be visiting the Royal Botanic Gardens at Kew.

Of the 80 recognised species, two - *Buxus sempervirens* and *Buxus balearica* - are native to Europe; the rest originate from Africa, China, Japan, Nepal and Cuba, home to some 34 species.

In 1993, Braimbridge helped set up the Cuban national botanic garden in Havana. The plants

will be a small gift from the Cubans, who refer to her as "Madam Buxus".

"With my husband, I have

traveled through swamps in southern Japan, and studied box plants in sub-arctic climates as

well as tropical Africa," she says. "We have been to China and the US and made three trips to Cuba. The arrival of the Cuban varieties will be one of the most exciting things to happen since I started the nursery."

The six new varieties will add to rarities she has carefully propagated over the years such as the box *rugosa* intermedia, which comes from Nepal and looks like a grey/green leafed hebe.

Situated along a rutted track off the B2070, the nursery is a place of pilgrimage for enthusiasts from all over Europe. With its ranks of topiary - crowns, obelisks, domes, balls, and animals - it has a rather surreal air.

In recent years Braimbridge has had to buy in some of these shapes from other growers to satisfy increasing demand. Her staff are about to plant a neighbouring 14 acres with hundreds and thousands of cuttings.

"When I started the nursery I had no idea of the surge in interest in box that was about to take place," she says. Perhaps what she did not anticipate was the effect her enthusiasm for box was to have on other gardeners. It has proved to be catching.

■ *Langley Boxwood Nursery, Rake, near Liss, Hants GU33 7JL; tel: 01730-89467.*

young grouse to eat; fewer gamekeepers; or a blip in the bird's reproductive biology.

Many moorland landowners are joint proliferators of raptors and are also a factor. Game Conservancy scientists have identified what they call the "predator trap".

When grouse numbers fall, raptors cream off any surplus breeders that could push the population up again, leading to a critical decline. The raptors capable of creating the "predator trap" are golden eagles, peregrines and hen harriers.

Until recently, it was a tussle

only noticeable in wild raptor country but the issue has been moving into the sphere of nature

management. Two years ago, the Department of the Environment convened a meeting in London on whether raptors should be studied with a view to issuing licences to control them. Government scientists and the Royal Society for the Protection of Birds were arranged by land managers on the same theme at a conference.

The protection of wild birds

has been steadily impinging on

land managers, particularly

sporting businesses. Not only are

sparrowhawks preying on pens

of young pheasants, and increas-

ingly numerous peregrine falcons

downing valuable racing pigeons,

but cormorants, herons and saw-

bill ducks are punishing recre-

ational fisheries.

The term "conservationist" is

one which hunting and shooting

supporters and those seeking pro-

tection for species of birds and

mammals each try to hijack.

Manipulation has made it confus-

ing. Conserve what? Conserve

individual species, or the ecolog-

ical pyramid of species? Conserve

the present diversity, or recre-

ate the diversity of an imagined

past? Conserve traditional jobs

and small country businesses, or

conserve nature for its own sake,

regardless of the results?

The form of field sport which

occupies most acres of the British

uplands is grouse shooting.

But the sport is shrinking.

Although English grouse moors

have enjoyed record bag in the

past 10 years, Scotland's grouse

are disappearing. In the East

Grampians, where grouse shoot-

ing is a rather surreal air.

In recent years Braimbridge

has had to buy in some of these

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Explanations for the decrease in Scottish grouse are varied: changes in moorland ecology are blamed, with fewer insects for

the grouse to eat; fewer game-

keepers; or a blip in the bird's

reproductive biology.

Many moorland landowners

are joint proliferators of raptors

and are also a factor. Game Conservancy scientists have identified what they call the "predator trap".

## EDUCATION

**R**ight now, Suzanne Nagle, a 19-year-old from London School in north London is substitute in the Indian Bimbo, trekking towards the destination, her station of Michigan.

It is the final chapter of her "gap year" - she prefers "sabbatical" - which started after she received her A level results this time last year.

Before her month-long Himalayan adventure began, she had arranged a patchwork of different pursuits: a month with the Dandy Lion Trust, a charitable group; a four-month trip to New Zealand, which included a stint working on an organic farm; and a temporary job as a secretary for a Citibank project in London's Docklands.

How many other students will be able to follow Suzanne Nagle's example remains unclear.

That is because no one knows for sure what impact the government's decision to allow universities to charge tuition fees will have on the number of students taking a gap year between school and university.

It could make the gap year a "minority pursuit" as students choose to go to university straight after their A levels and avoid adding to a graduate debt which, according to the government's calculations, could be more than £10,000 after a three-year degree course.

On the other hand, it could make the gap year more popular if students choose to stop off at the university conveyor belt to earn the money to pay for their studies.

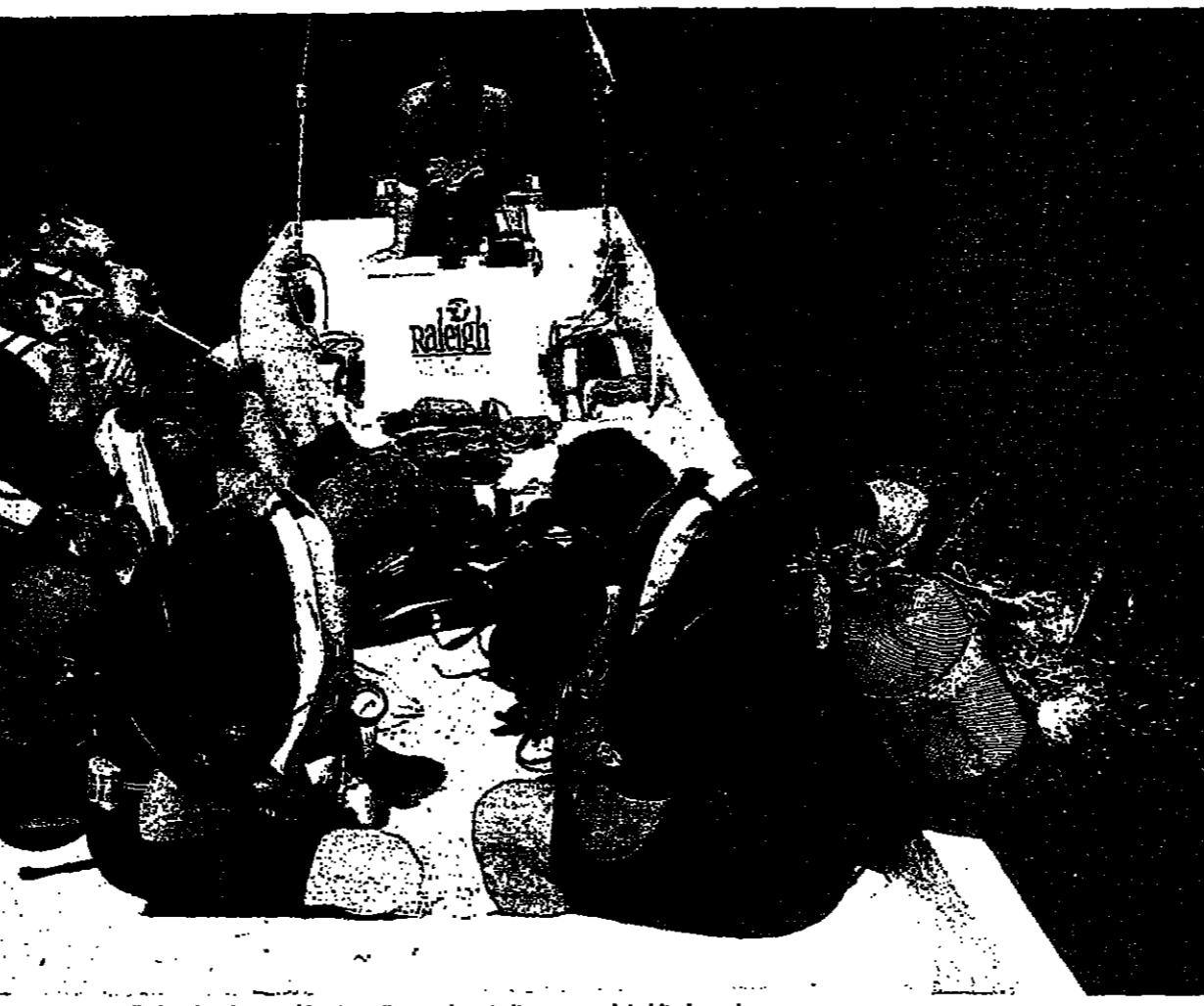
Financial considerations will, more than ever, loom large in the decision about whether to take a year off, particularly for this year's cohort of students - the last to be offered free places at university.

The government announced last week that the 19,000 students who have secured deferred entry places for 1998 will be given a one-off tuition fee exemption. But another 70,000 students - who are taking a gap year but did not apply for deferred entry - will face paying the £1,000-a-year fee.

A gap year, however, is not ultimately about money but about gaining the maturity to enjoy university and the work experience to impress employers. It can also go down well with university admissions tutors.

Now Strachan, a Cambridge don, says: "The question that we like to ask at interview is not 'you're planning to take a gap year... justify your decision but to the person who wants to come straight up to university, 'why do you want to come up straight away, given that you have a marvellous opportunity to go and do something completely different with your life for a whole year, with remarkably few questions asked'."

Employers look favourably on students who have taken the trouble to acquire some



Raleigh's expedition in Belize, which surveys pollution, involves making two dives a day at sites near uninhabited coral cays

Raleigh International

## Gap in the learning curve

Simon Targett finds students facing a tougher decision about whether to take a year off

British Steel, take on stu-

dents with a view to sponsorship through university. Marks and Spencer runs a gap year business placement scheme.

There are also "adventure" expeditions, with students spending several months in third world countries combining travel with community or environmental work.

Raleigh International offers a range of projects, with students having to raise about £2,995. These include conducting an undersea survey of the coastal waters around Belize to establish the effects of pollution on Belize's barrier reef; carrying out a number of surveys of the huemul, the endangered deer that is one of Chile's national symbols; and making rhino pens and bird hides in the wilds of Namibia.

Another group is World Challenge Expeditions, which organised Suzanne's

Himalayan trip. It runs short trips, and a "gap challenge" programme which costs about £1,850. Students taking up its postings - which last between three and six months - could find themselves teaching in Tibetan refugee camps, working on a cattle station in the Australian bush, or setting up an education centre on a safari camp in Malawi.

As many of the structured programmes last only a few months, it is possible to string a few organised programmes together, as Suzanne has done.

World Challenge Expeditions provides a 12-month return ticket, giving students another option: to travel independently after the work placement.

## Try, and try again . . .

It used to be that if you flunked your A levels, you could simply retake them. If you then did well the second time round, the world was still your oyster. Unfortunately, that is not the case any more.

The greater competition - with some "ivy league" universities facing 15 well-qualified people chasing every undergraduate place - and the fact that the A level pass rate reached a record high of 87.1 per cent this year, means many institutions are not giving a second glance to the retake student.

Oxford and Cambridge are off-limits for the retake student, said Nigel Stott, principal of Mauder Portman Woodward, the largest tutorial college in London, which, with its sister colleges in Birmingham, Bristol and Cambridge, takes about 350 students for their retakes.

"You might be lucky with a subject like chemistry, but otherwise it is very difficult," he said.

The top medical and veterinary schools are also virtually out of bounds.

"Ten years ago, I would have been very

disappointed with a 50 per cent success rate in getting pupils into medical school," he said. "But these days, I'm delighted."

Even then, the route is a rocky one for the retake student. Typically, Stott said, the medical applicant who has done poorly in his first attempt at A levels will be rejected by all the medical schools. This means the student will have to retake the exams, and then take a second "gap year" so he can reapply with a full hand of top grades.

But this is not to say that retaking those disappointing A levels is a pointless exercise.

Many good universities are not so snooty about retake students. Imperial

College in London - which often trumps Oxbridge in the eyes of employers - is one, said Stott. "If you achieve high grades, you have a sensible chance of getting in."

Getting into a top university can do wonders for your employment prospects.

After Oxford and Cambridge come Bristol, Durham, Manchester, King's College London, Birmingham, Nottingham, Exeter and the London School of Economics at the top of the target universities list for leading firms of lawyers, merchant bankers, accountants and actuaries, according to a survey published this week by the MPW group of independent sixth-form colleges.

This much, perhaps, justifies the huge cost of retake courses at private tutorial colleges, the specialist revision institutions originally known as "crammers".

If your A level results are BBC, and you retain ambitions of going to medical school, colleges would recommend you retake all three A levels, and that would set you back about £9,000.

A cheaper option would be to take a course at the local further education college.

But retaking A levels is not just about getting into "ivy league" universities.

"It is also about who you are," said Elizabeth Rickards, principal of Davies Loring and Dick, which takes on around 140 retake students.

"If you do badly, it is probably the worst thing that has happened to you. You become a 'CDE' person, or whatever, and that can have an effect on you for a long time. But if you retake and you do well, there is a feel-good factor, and it means you feel capable."

Simon Targett

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## PROPERTY

# The pitfalls of making your garden grow

Sally Smith says people seeking to buy neighbouring farmland to extend their properties can face unforeseen complications

**Y**ou have a pocket handkerchief garden. The neighbouring farmer is happy to sell a parcel of farmland for you to extend into. Perfect, that is, until the local planning authority finds out – as a couple near Worcester discovered when they were ordered by the planners to dig up their newly planted borders, trees and shrubs.

The main pitfall of buying farmland to extend a garden is that, technically, it is a "change of use" for which planning permission is required. This is where Trevor and Elaine Pearce who live at Norton-Juxta-Kempsey came to grief: they were unaware that such consent was necessary until they had bought the land.

When they viewed their new house they were concerned that it had such a small garden, but, assured that the owner of the adjoining farmland was interested in selling, they went ahead with the purchase.

Acting with three other new owners, they bought two acres, which was divided up between them. The Pearces' paid £3,750 for their portion. When alerted that consent was needed, the four parties made a joint application, "never imagining," said Elaine Pearce, "that we would be turned down."

But Wychavon district council, the planning authority, considered the areas involved to be too large. The applicants were advised to reduce them substantially and re-apply.

For the Pearces, by now

engaged in planting 53 trees and shrub borders, this meant a reduction from about 0.6 of an acre to just 0.12 which the planners permitted. An appeal was made, but the decision has been upheld and now the Pearces have to un-garden.

There are householders all over the country who have done precisely the same thing, greatly adding to the enjoyment of their homes and the value of their properties. And as falling product prices threaten to reduce farmers' incomes, some might be happy to raise cash by selling what, to them is

**Farmers are alive to the worth of their land once its farming status has been removed**

only a small piece of land.

Privately, specialists say that where the Pearces and their neighbours went wrong was in applying for planning consent at all. There was a good chance that the extensions would never have been discovered and if the situation had continued unchallenged by the planners for 10 years, the householders could have applied for a Certificate of Lawfulness and the land would have become a garden – officially.

In many cases buyers take just such a chance. The land

is bought and fenced. For a while it remains as rough grass, then gradually it becomes absorbed into the garden.

"The difficulty comes if the house is sold before the 10 years are up," explains Chris Jones of Berry Bros Holmes, a surveyor who operates in the Welsh border country from Shrewsbury and is involved in garden deals several times a year.

"Searches will show that planning permission has not been granted and so we would never advise anyone to buy without getting consent. But it is ironic that those who act correctly can be penalised. Planning attitudes also vary widely from district to district."

The main concern of planners is of "suburbanisation" – landscaped vistas rather than natural surroundings. And gardens do not end with roses – they can include swimming pools, garden ornaments, furniture.

Get it right, though, and the gain will be more than the expenditure. Jones says that the area of land acquired should be in proportion to the size of the house, advice with which Peter Start of Savills, operating on the other side of the country in rural Suffolk, agrees.

As a rule of thumb, a former farmhouse in open country should have a minimum of two acres, with probably a paddock or two for horses. The optimum garden size then reduces, depending on the size and nature of the house and its situation – open countryside, hamlet, village street.

Depending upon location,



soil-type and whether or not it is registered as arable land and thus qualifies for EU grant aid, farmland varies enormously in price. It can sell for as little as £1,000 an acre or rise to as much as £5,000; not that any farmer is likely to sell at anything like these figures to a household. They will be fully alive to the potential worth of the land once its farming status has been removed.

If the land backs on to existing homes, the farmer might see it as having potential for future development. On the other hand, if the land is outside the area des-

ignated for development, as set out in the local plan, the farmer might regard selling it as gardens as his best opportunity.

Purchasing chances are also improved if the adjacent field is awkwardly shaped. Modern farm machines need neat, straight boundaries. And if there are tall, mature trees overhanging the farmer's land at the bottom of the existing garden, they may be even more keen to sell, as shaded crops do not perform well.

When selling farms, Savills approaches neighbouring householders with the offer

of a piece of garden. Not all agents do this, so when any farm comes up for sale it is worth making direct contact with the vendor.

Most farm sales, however, are initiated by the buyer and can be hard to spot. Peter Start suggests a letter is the best method for making contact with the landowner.

It is very much a seller's market – especially when that extra bit of soil will

maintain privacy or act as a buffer against the rest of the world.

"If a house is worth half a million and an additional

acre will, say, achieve

greater tranquillity, then

£50,000

may not be considered

too much to pay," said

Jones. "Generally speaking,

in the Welsh borders, with a

house worth between £50,000

and £80,000, I would expect

to pay around £2 a square

metre for a small strip of

additional land, but that

could rise to as much as £20 a square metre."

Start has just bought a

tiny 100th of an acre for

£2,000 – which would make

it worth an incredible

£200,000 an acre. But for that

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# Knit one, pearl two at 'new' Club Med

The days of beads and very basic accommodation are over, and family values are in, says Bill Glenton

**T**he marketing manager's drive was hampered and the efforts of his sales team were well off target. The rest of the employees were struggling to keep their eyes on the ball.

But as well their initiative was being tested on a golf course, archery butts and tennis courts - not in the sterner realms of commerce. Yet the last place I expected to find company personnel being put through an ability test was of all holiday places, a Club Med village.

If you still accept the old image of this organisation that created worldwide success from its al fresco beads and bare bodies origins of nearly half a century ago, it hardly seems credible that today serious-minded companies, including many big internationals, flock to use it for conferences and incentives.

It's a measure of how radically much of the club's activities have changed from the former grass and sand *à la carte* ambience. The village I stayed at in Opio, in lovely wooded countryside behind the Côte d'Azur of southern France, was as far removed from the early, very basic model as a duchess from a beggar lady.

Like more than 30 of its 110 centres this one has four-star hotel-cum-country club amenities. Its several restaurants, lavish health centre, multi-sports facilities, giant pool and show



spectacles are another world altogether.

In former times, you were lucky to get a couple of wire coat-hangers and matting on a dirt floor. Now the *Genie* Members (GMs) enjoy comfortable guest rooms with private bath and maid service.

"Conference" had a far different connotation in the past when mainly singles flocked to the villages in search of romance. The only facility they sought was a quiet spot under a palm tree. At Opio, delegates meet in a spacious suite of audio-visual equipped meeting rooms. The attraction for many companies, however, is that the club's transformation matches the newer style in business get-togethers.

Nowadays they believe the serious business of such things as sales seminars and product launches go down better with some fun and sport. At Opio, it is just a few steps from the conference centre to the tennis courts and golf course. Some companies prefer to make this sweet and sour cocktail more potent by making the sport a test of staff capabilities.

I felt sorry for the scores of

employees of an Italian bank I

watched being put through a

tough initiative course. Hands

more used to handling lire notes

were blistered as employees

assailed down the hotel tower.

The elderly Frenchman in the

poolside deckchair beside me was

not amused. A veteran GM from the grass hut days, he found the presence of conference delegates a disturbing influence. Roughly translated, he protested: "This is not in the true spirit of the club. We members have always felt part of one close-knit family. These delegates do not belong to it."

Then, sadly, he added: "Who knows? Maybe next we shall have to admit Mickey Mouse and Donald the Duck!" His was a reference to the appointment as chairman of the club's management of Philippe Bourguignon

from Euro Disney. The move has raised worries among the 14,000 GMs, who hold a strong allegiance to the club, that there may be a move to make the villages more like American theme parks. Such worries are unfounded, said Francis di Landro, Opio's *chef de village*.

"It is possible our new chairman will make changes, but carefully, so they do not harm the true character of the club," he said.

What about the changes that have already transformed many villages? He explained: "We have

had to change with the times, and also because our type of GM and their demands have changed. Today we have a much wider variety of member in tastes and ages. They want the greater luxuries and facilities they have become used to elsewhere."

The GMs I saw at Opio were largely a generation or two removed from those young swingers of the club's early days. I do not imagine that I would have seen elderly women busily knitting then, as I did at this village. The average age of members now is nearer 40. It would be

hard to change with the times,

and also because our type of GM

and their demands have changed.

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## Sporting Profile

# The man in the wheelchair knows how to kick

Todd Shapera meets Doug Blevins, living his dream of being American football's first handicapped coach

In Fort Lauderdale's withering August heat, Doug Blevins directs his electric wheelchair on to the Miami Dolphins' practice field. He glides past beefy linemen who grunt as their pads clash like plastic cymbals during a drill. Then he

manoeuvres behind a group of acrobatic receivers, who in turn leap to grab precise arching passes thrown by Dan Marino, the team's legendary quarterback.

Blevins moves near the centre of an adjacent field where he begins to preside over a practice session for two kickers, Joe Nedney and Olindo Mare, who are vying to become the Dolphins' kicking specialists this season.

It is easy to see that the Dolphins' players and coaching staff have assimilated Blevins and his roving wheelchair into the landscape of their practice field. Many confide that his rise to become a kicking coach for the Miami Dolphins, especially under the command of tough,

fighting for his job after an erratic season last year. The 6ft 4in Nedney, who possesses a booming leg, converted only 62 per cent of his field goal attempts. That rate paled next to the 90 per cent success of leading NFL kickers.

Recalling his first meeting with Blevins in June, Nedney says he "was amazed by his knowledge. The first thing he told me was to relax."

To help Nedney relax, Blevins studied film of the kicker "till my eyes nearly bled". Then, rather than applying a cookie-cutter approach, he devised a plan for simplifying Nedney's style from head to toe.

Nedney was hooking the ball to his right, Blevins observed, because he took too many steps, too fast, and then booted the ball too hard. Blevins explains: "Joe's first step with his left foot was too small, leaving him to rush and lunge on his last step.

"In overcompensating, it left his upper body behind the ball, instead of above it, and his shoulders turned instead of lining up facing the target."

By reducing Nedney's three-step approach to two steps, it allowed him to set up closer to the ball and have more time for what Nedney now feels is a "controlled, smooth, fluid swing". The hood is gone, the kicks are straight and Blevins believes that Nedney is "hitting the ball better than he ever has in his life".

Possessing unabashed passion for his craft, coach Blevins can turn a brief after-practice interview into a protracted and engaging discourse on kicking. At one point, he even asks a reporter to lift his shoe on to his knee so he can trace the hard-boned sweet spot on the top and side of the foot.

By necessity he is a perfectionist, since the momentum of games and, often, their outcome can turn on whether a kicker can execute with precision a task that may last only 1.3 seconds. With stopwatch in hand, Blevins is continually wheeling round his players, watching them from different angles.

On one recent afternoon, following three missed kicks, the coach and his kickers disappeared into the team's film room to view their mistakes, then re-emerged to try again.

Although he believes that place-kicking is the most "mental" position in the game, he asserts that confidence to deliver under pressure requires players to have confidence in their technique.

"I have no pity or sympathy. I want our guys to take their heads off," says Blevins

no-nonsense field general Jimmy Johnson, is a heart-warming and inspiring story.

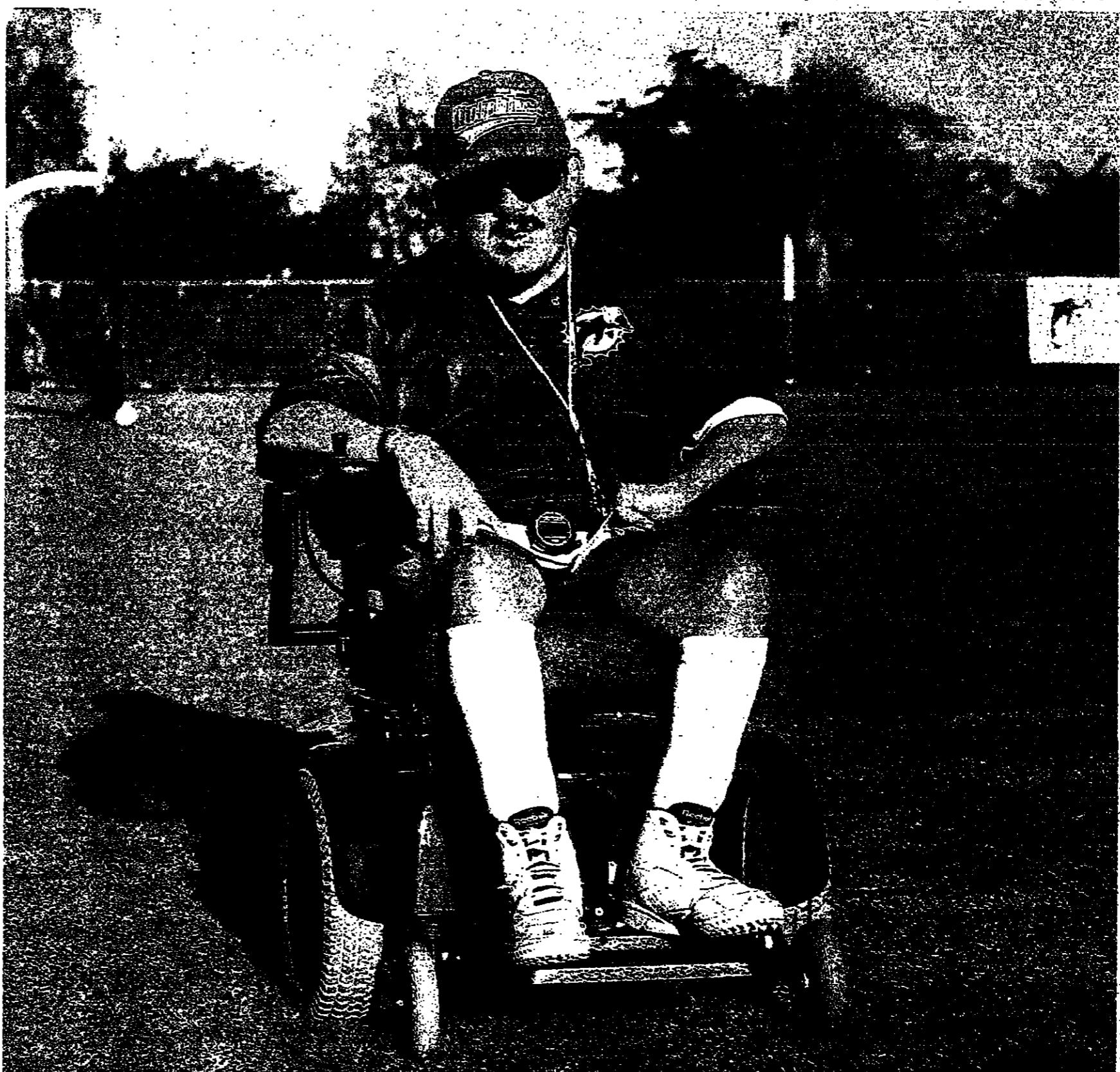
Remarkably, Blevins has become a respected kicking guru in the National Football League, even though he has never walked a day in his life, let alone kicked a football. He was born with cerebral palsy.

But that did not deter Johnson, whose own impressive stripes include having coached the Dallas Cowboys to two Super Bowl trophies, from hiring him as kicking coach in June. Johnson says he hired

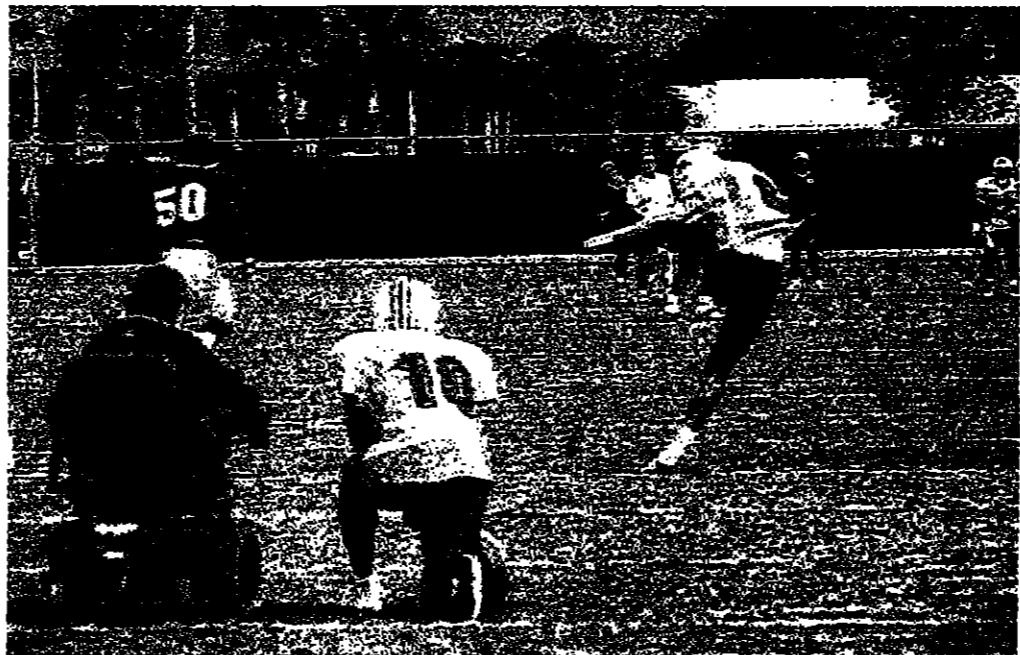
33-year-old Blevins because "he not only knows the mechanics of kickings, but he is able to talk to the kickers one-on-one on the sidelines during the game".

The Dolphins' intense special teams coach, Mike Westoff, also admires Blevins' "positive and reinforcing" style. "If I were a kicker, I would want a coach who talked to me the way he does," Westoff says.

The sentiment is echoed by Joe Nedney, the Dolphins' incumbent kicker, who is



Doug Blevins: a respected kicking guru in the National Football League, even though he has never walked a day in his life, let alone kicked a football



Blevins is already a familiar part of the Miami Dolphins' set-up

"worshipped". Agajanian not only replied, he sent lots of material.

"It was fascinating. I could really see why our guys were missing field goals," Blevins recalls. "From then on I kept studying, watching kickers, slowly learning and applying what I learned."

Blevins took his growing mastery into a student scholarship as an assistant coach at the University of Tennessee. There he met Nenita, from the Philippines, who later became his wife.

Now, 15 years on, Blevins brings solid experience to Miami. After coaching in the college ranks, he has worked for the National Football League's New York Jets and the New England Patriots. Since 1985 he has also been kicking co-ordinator for the World League in Europe,

overseeing the development of such players as Clive Allen of the London Monarchs, Barcelona Dragons' kicker Jesus Angoy, and Silvio Delaberto of the Amsterdam Admirals.

Coaching the Europeans was challenging, he says, because kicking in the NFL "requires entirely different mechanics".

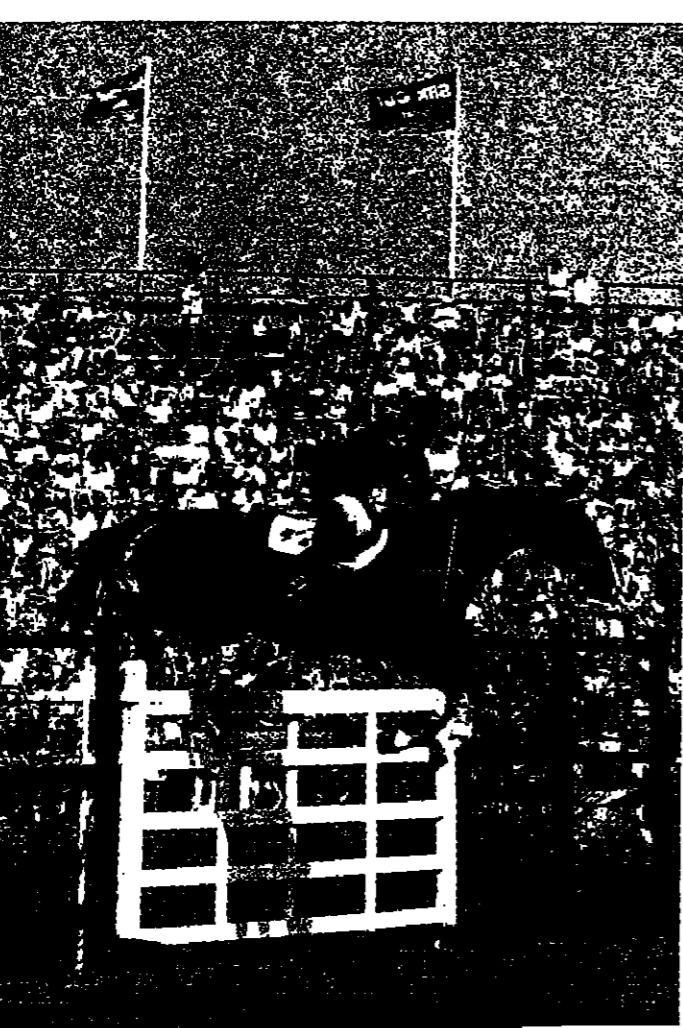
On the Dolphins' sidelines, Blevins says he is enthralled by the violence of the game and gets pumped up when players in his team land crushing tackles. "I have no pity or sympathy. I want our guys to take their heads off," he says.

He also has no qualms about responding to questions about his health. He describes his cerebral palsy as "a slight case". It affects his balance, he can't walk, and his left hand is squeezed into a ball. He adds that, while many people with cerebral palsy are "spastic", he drives a car, has clear speech, and is due to be a father in March. He has no other health complications and believes his life expectancy is unaffected.

Already his fan mail is growing. Last month, he responded to a boy who suffers from more debilitating cerebral palsy. The boy was in such disbelief over the telephone call from his idol that he spent much of the conversation quizzing the coach about the details of his life to reassure himself that the caller really was Blevins and not an impersonator.

Jimmy Johnson is sure he is real: "Our guys know I don't do anything for window dressing."

Indeed, Doug Blevins is living his dream of becoming the "first handicapped coach in the history of the NFL". He chooses the term "handicapped" because, to him, "disabled suggests that you can't do it, whereas handicapped means you can do it, but you might have a slight problem". On this point, perhaps not even politically correct grammarians would quibble with this coach's call.



Kilbaha, ridden by Captain John Ledingham, at Hickstead last year

## Equestrian Sports

## Pulled back from the brink

Keith Wheatley on how European expansionism is giving Britain's show-jumping scene a lift

**G**oodwood racecourse invariably carries the sobriquet "Glorious", so perhaps the nearby showjumping centre should be "Heavenly" Hickstead.

This weekend sees the Hickstead Derby return to the showground in all its sprawling magnificence and quirky individuality.

Yet, just three months ago, long-term sponsor Silk Cut withdrew its cash and it looked as if the show was over.

Douglas Bunn, owner, creator and operator of this unique facility, was unable to come up with alternative funding and was ready to close the gates. Staff, including Bunn's children, Lizzie and Edward, were preparing to mothball the 75-acre showground for the entire season.

Hickstead is to showjumping what Glyndebourne is to opera - a rural eccentricity that somehow works. At least it has for nearly 40 years. Bunn, invariably known as the Master of Hickstead, built the course in 1960 on the family estate north of Brighton, because he has a passion for horses and showjumping.

A barrister by training, Bunn, 59, earns most of his income from a holiday camp business based at nearby Selsey.

"My accountant told me I couldn't play John Paul Getty to the whole shooting match after the sponsors pulled out," says Bunn, a forceful, quixotic man who is magnanimous enough to continue smoking Silk Cut cigarettes.

"We needed to find another £600,000 a year."

"It costs around £1m a year to keep Hickstead running for three events, and we lost half of that when two sponsors dropped out rather suddenly," says son and business manager, Edward Bunn.

"My father has always subsidised the shows to an extent because he sees it as a hobby and a passion," he adds. "But there is a big difference between what he has been putting in and the missing £500,000."

The Sports Council made a provisional offer of £100,000 in support but Douglas Bunn views the figure as somewhere between inadequate and insulting. The Labour government's deci-

sion to outlaw tobacco sponsorship has infuriated him.

Lighting up his third or fourth cigarette of our interview, he scoffs: "All these do-gooders get hysterical at the sight of an 18-year-old puffing on a cigarette."

As a parent, if you bring up a child and the worst thing they do is enjoy a fag and a glass of wine, then you haven't done badly."

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The Labour government's deci-

considering the £427m of public money that's gone into sport in the past two years. Perhaps they don't like the fact that it's privately owned.

"To build another Hickstead would cost £15m-£20m and we operate it for just 10 days a year. People say I'm a lunatic - which I am. But it's my great love."

What saved Hickstead was a meeting in Düsseldorf between the founder and German show-jumping legend Paul Schöckemoehle.

The triple European champion has become a highly successful show organiser and horse-breeder since he retired in 1989 from competing on his star horse Delster.

"When he heard we were closing down, Paul rang me to ask what was going on," explains Bunn.

"As well as being a tycoon in the horse world, he's one of my oldest friends. I jumped on a flight and that night we were having dinner and making a rescue plan."

Schöckemoehle loves Hickstead.

He has competed at the Sussex

venue more than 40 times. "I

have a few ribbons from here,"

he says with a grin. With groomed grey hair and checked sports jacket, he looks every inch the international businessman.

We talked beside Hickstead's Ring Four where Schöckemoehle's Korean protege and pupil, Song Gak Sohn, was about to compete.

"Douglas was so worried. He wanted to cut the prize money to help Hickstead survive. I said 'No, let's go forward', so we doubled it," laughs Schöckemoehle, who expects to lose money for the next three years before breaking even in 2000.

"Douglas and I have no contract, just a 10-minute talk then a handshake."

Schöckemoehle's standard philosophy is to bring a "mosaic of sponsors" to each event. At the dozen or so leading competitions he runs in Germany, it is normal to have 30 or 40 companies providing support and prize money.

His long-term plan is to transfer that structure to Hickstead's three large annual events, ensuring continuity at the showground and bringing a taste of affluent European expansionism to Britain's somewhat tired show-jumping scene.

## INTERNATIONAL ARTS GUIDE

## What's on around the world

## ■ BERLIN

## CONCERTS

Konzertvereinigung: Tel: 49-30-200300. Berlin Symphony Orchestra, conducted by Jörg Brönnhaar, in works by Brahms and Dvořák; with violin soloist Viktor Trifunovic; Aug 21, 22.

## ■ DROTNINGHOLM

## OPERA

Drottningholms Slottsteater: Tel: 46-8-4570600. Greek-Swedish premiere of Luigi Rossini's 1847 version of the legend of Ophelia. The producer is Jack Edwards; the musical directors, Stephen Stubbs and Paul O'Dette; the designer, David Lintzke and the choreographer, Lucy Graham; Aug 18.

## ■ EDINBURGH

## Edinburgh International Festival

Tel: 44-11-472 2000.

## CONCERTS

● Bach Organ Works: organist Peter Hurford plays a series of 15 concerts. The performances are Tuesdays to Saturdays at 5.30pm. On Thursdays he is joined by players of the Dunedin Consort; Gordan Volk; Aug 12-20. ● Another Performance as part of the Festival's 50th birthday celebrations, the Music Performance Research Centre at the Barbican's Library has loaned a selection of archive recordings of concerts given during the early years of the Festival, which can be heard Mondays to Saturdays at the Queen's Hall. Featured artists include Maria Callas on 23rd; Joan Sutherland on 25th and Leonard Bernstein conducting the LSO on 28th. Tickets cost £2; most recordings last 45 minutes and cost £2.15pm (1.30pm on Thurs); Aug 14-20.

## ● Prokofiev &amp; Stravinsky: A Piano Celebration. The pair of concerts showcases Russian talent, according to a tradition whereby major teachers take their best pupils and give group recitals. There is an opportunity to hear all of Prokofiev's Piano Sonatas tomorrow, and all Stravinsky's Piano Music on 24th, performed by a class of Russian students taught by Alexander Toradze.

## DANCE

● San Francisco Ballet in works by Salchánov - Stravinsky Violin Concerto and Symphony No 4 - and Artistic Director Helgi Tomasson's Sonata, set to music by Rachmaninoff. With the Royal Scottish National Orchestra, conducted by Emil de Cou; at the Edinburgh Playhouse; Aug 19.

● San Francisco Ballet's second programme opens with *Drink To Me Only With Thine Eyes* by Mark Morris to music by Virgil Thompson, followed by *The Dance House* by David Bintley, to music by Shostakovich and *Cross-Cross* by Helgi Tomasson to music by Scaratti and Schoenberg; with the Scottish Chamber Orchestra conducted by Emil de Cou; at the Edinburgh Playhouse; Aug 20, 22.

● Vézéalt: Ballet Atlantique Régine Chopinot. Collaboration between choreographer Chopinot and artist Andy Goldsworthy to music by Knud Vikor, in a tribute to movement and the natural world; at the Edinburgh Playhouse; Aug 16.

## OPERA

● Macbeth: by Giuseppe Verdi (original 1847 version) - concert performance given by the Chorus and Orchestra of the Royal Opera House, conducted by Edward Downes. Tonight Anthony Michaels-Moore and Georgina Lukacs are replaced by Bruno Caproni and Christine Cunningham as Macbeth and Lady Macbeth; at the Edinburgh Festival Theatre; Aug 16.

● Ariadne auf Naxos: by Richard Strauss. This Scottish Opera production, directed by Martin Duncan and conducted by Richard Armstrong, provides an unusual opportunity to see the opera in the context originally conceived for it: as an operatic advertisement, to be performed in a version of Molière's play *Le Bourgeois Gentilhomme*. The play is performed in English in a translation by Jeremy Sennett; at the Edinburgh Festival Theatre; Aug 20, 22.

● La Verbena de la Paloma (The Festival of the Dove); music by Tomás Bretón (1894), text by Ricardo de la Vega. Performed in Spanish with English subtitles. In a production directed by Calisto Sietto. With the Scottish Chamber Orchestra, conducted by Miguel Ríos; at the King's Theatre; Aug 17, 19.

## THEATRE

Measure for Measure: by Shakespeare. Directed by Stéphane Braunschweig. Unlike *The Winter's Tale*, which was Braunschweig's French language contribution to the 1994 Festival, this production, staged by the Nottingham Playhouse, is in English; at the Royal Lyceum Theatre; Aug 11-26.

## EXHIBITIONS

National Gallery of Scotland: Tel: 44-131-624 6200. The Portrait of a Lady: Sargent and Lady Agnew: "Lady Agnew of Lochnaw"; by John Singer Sargent (1856-1925) is the centrepiece of this exhibition which includes more than 20 portraits by Sargent himself - including Ellen Terry and Ethel Smyth - as well as works by his contemporaries and memorabilia from his studio; to Oct 19.

## Royal Scottish Academy

Tel: 44-171-624 6200. Sir Henry Raeburn (1756-1823); major exhibition of around 70 works by this most famous of Scottish painters, bringing together the works owned by the National Gallery with loans from around the world. The exhibition will travel to London; to Oct 5.



1927 MOMA, NY

Still Life with Rabbit (The Table), 1920-21, by Joan Miró, one of the 20th century still lives on show at New York's Museum of Modern Art

## Scottish National Portrait Gallery

Tel: 44-131-624 6200. The Face of Denmark: the product of a museum's Danish counterpart, this exhibition will include works from the period 1750-1840 and portraits of famous Danes including Hans Christian Andersen and Kierkegaard. In return, Scottish portraits will travel to Denmark in the autumn; to Aug 31.

## ■ FORT WORTH

## EXHIBITIONS

Kimbell Art Museum: Tel: 1-817-322-8451. Monet and the Mediterranean: "It is so beautiful here, so bright, so luminous! One swims in blue air; it is frightening!" wrote Monet from Cap d'Antibes in 1888. Bringing together more than 70 works, this exhibition presents the fruits of several journeys made by the painter to the Italian and French Rivieras in the 1880s, to Venice in 1908; to Sep 14.

## ■ KASSEL

## EXHIBITIONS

Documenta: giant five-yearly survey of contemporary art which takes place over Kassel. Starting at the old railway station, this tenth edition has been selected by French curator Catherine David; to Sep 28.

## ■ LAUSANNE

## EXHIBITIONS

Fondation de l'Hermitage: Tel: 41-21-320-5001. Charles Camoin (1879-1965): retrospective which aims to demonstrate Camoin's contribution to Fauvism at the turn of the century and to show the development of his later work, including the influence of Cézanne; to Oct 5.

## ■ LONDON

## CONCERTS

BBC Proms, Royal Albert Hall: Tel: 44-171-589 8212. BBC Scottish Symphony Orchestra: conducted by Osmo Vänskä in works by Glinka, Tchaikovsky, Edward McGuire and Shostakovich. With piano soloist Grigory Sokolov and Highland bagpipe player Robert Wallace; Aug 18.

● BBC Scottish Symphony Orchestra: and the Helsinki University Määrä Chorus conducted by Osmo Vänskä in works by Sibelius. Including the London premieres of newly rediscovered tone-poem *The Wood Nymph*, with soprano Kinsi Tihonen and tenor Jukka Rasilainen; Aug 20.

● Britten Weekend: Norwegian Chamber Orchestra. Two-day celebration of Britten's choral works begins with this performance of his *Serenade for Tenor, Horn and Strings*, with tenor Ian Bostridge and horn player Timothy Brown. Programme includes symphonies by Schubert and Mendelssohn and Wagner's Siegfried Idyll. Conducted by Iona Brown; Aug 16.

● Britten Weekend: Martin Neary conducts the Westminster Abbey Choir in a selection of works punctuated by a piece for solo oboe performed by Nicholas Daniel; Aug 17.

● Britten Weekend: The Prodigal Son - performed by the City of Birmingham Touring Opera in a production directed by Mark Tindall and set in the 1930s. With the Birmingham Contemporary Music Group and musical director Simon Haleys; Aug 16.

● Britten Weekend: War Requiem. Performed by the BBC Symphony Orchestra and Chorus with the Choristers of Westminster Abbey and the City of Birmingham Symphony Chorus. Conducted by Andrew Davis; Aug 17.

● London Philharmonic Orchestra: conducted by Sir Charles Mackerras in works by Schubert and Brahms, part of the Proms anniversary celebrations of both composers; Aug 21.

## ■ BERLIN

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## ■ LOS ANGELES

## EXHIBITIONS

Museum of Contemporary Art: Tel: 1-212-6262222. Jeff Wall: retrospective exhibition of the Canadian artist whose photographic work draws on the narrative traditions of tableau painting; to Oct 5.

## ■ NEW YORK

## EXHIBITIONS

Museum of Modern Art: Tel: 1-212-708 9480. Objects of Desire: The Modern Still Life - beginning with Cézanne, including masterpieces by Matisse and Picasso, and culminating with Pop art and contemporary works, this exhibition traces the art of this century through the various and evolving representations of objects; to Aug 26.

● This retrospective of the Steinberg brothers promises to be MOMA's largest graphic design retrospective to date. Pioneers of advertising, the brothers are best known for the arresting posters they designed for Soviet cinema in the 1920s. The display also includes a selection of early Constructivist paintings and designs for the theatre; to Sep 2.

## THEATRE

The Old Vic Tel: 44-171-928 6655.

● The Prokofiev's Wife: Lindsay Posner directs Alison Steadman and Michael Pennington in Vanbrugh's comic take on sexual politics in Restoration England; in repertory.

● The Seagull: by Anton Chekhov, in a version by Tom Stoppard directed by Peter Hall. Felicity Kendal is Madame Arkadina, Dominic West her unhappy son, Michael Pennington her lover; in repertory.

● Waiting for Godot: by Samuel Beckett. Ben Kingsley and Alan Howard play Estragon and Vladimir. The director is Peter Hall; in repertory.

## ■ LOS ANGELES

## EXHIBITIONS

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● Jeff Wall: retrospective exhibition of the Canadian artist whose photographic work draws on the narrative traditions of tableau painting; to Oct 5.

## ■ SALZBURG

## OPERA

Salzburg Festival Tel: 43-662-844501.

● Boris Godunov: by Mussorgsky. Conducted by Valerij Gergiev in a staging by Herbert Wernicke. Samuel Ramey sings the title role. Cast also includes Philip Langridge. With the Vienna Philharmonic, the Konzertvereinigung Wiener Staatsoperchor and the Slowakischer Philharmonischer Chor Bratislava; at the Grosses Festspielhaus; Aug 21.

● Die Entführung aus dem Serail: by Mozart. New production. Conducted by Mark Minkowski and directed by François Abou Salem with designs by Francine Gaspar. With the Mozart Orchestra Salzburg and the

Konzertvereinigung Wiener Staatsoperchor; at the Residenztheater; Aug 17, 19, 22.

● Die Zauberflöte: by Mozart. Christoph von Dohnányi conducts a new production by Achim Freyer. With the Vienna Philharmonic and the Konzertvereinigung Wiener Staatsoperchor; at the Felsenreitschule; Aug 16, 18, 20.

● Le Grand Macabre: by Ligeti. New production conducted by Esa-Pekka Salonen and directed by Peter Sellars. Cast includes Willard White. With the Philharmonic Orchestra and the Konzertvereinigung Wiener Staatsoperchor. Co-production with the Théâtre du Châtelet; at the Grosses Festspielhaus; Aug 20.

● Pelleas et Mélisande: by Debussy. New production conducted by Sylvain Cambreling and directed by Robert Wilson, with a cast including Dawn Upshaw. With the Philharmonic Orchestra and the Konzertvereinigung Wiener Staatsoperchor; at the Grosses Festspielhaus; Aug 18.

● Wozzeck: by Berg. Conducted by Claudio Abbado in a new production directed by Peter Stein, with sets by Stefan Mayer. Bryn Terfel sings the title role. With the Vienna Philharmonic and the Konzertvereinigung Wiener Staatsoperchor; at the Grosses Festspielhaus; Aug 19, 22.

## THEATRE

● Der Alpenkönig und der Menschenfeind: by Ferdinand Raimund. Revival of Peter Stein's production, with sets by Ferdinand Wögerbauer. With music by Wenzel Müller; at the Landestheater; Aug 20, 22.

● Jedermann: by Hugo von Hofmannsthal. Revival of Gernot Friedl's production, designed by Imre Vincze; at the Domplatz; Aug 16, 17.

● Othello: by Shakespeare. New production by London's Royal National Theatre, directed by Sam Mendes; at the Peacock-Insell; Aug 22.

## ■ SANTA FE

## OPERA

Santa Fe Opera Tel: 1-505-986 5900.

● Arabella: Janice Watson sings the title role of Strauss's opera, in a new production directed by John Cox. The conductor is John Crosby; Aug 21.

● Così Fan Tutte: Kenneth Montgomery conducts Mozart's opera, sung in English, in a new production directed by Nicolette Molnar and designed by Bruno Schwengel; Aug 20.

● La Traviata: Linda Browsky directs this new production of Verdi's opera, set in the Parisian demimonde. Christopher Larkin conducts; Aug 16, 19.

## ■ PARIS

## EXHIBITIONS

Jeu de Paume Tel: 33-1-4703 1250.

César: major retrospective of one of the most important French sculptors of the 20th century. Tracing the different approaches and materials with which he worked, the exhibition includes almost 500 objects loaned from museums and collectors in France and abroad; to Oct 19.

## Musée National d'Art Moderne, Centre Georges Pompidou: Tel: 33-1-4478 1233.

Fernand Léger: retrospective of the early modernist, who emerged from the Cubist revolution around 1910 to move towards abstraction. His experiences in the war and socialist principles led him back to figurative painting. The exhibition will travel to Madrid and New York; to Sep 29.

## ■ LUCERNE

## CONCERTS

International Festival of Music Tel: 41-41-210 3080.

● András Schiff: recital of Schubert piano sonatas; at the Union; to Aug 19, 21.

● András Schiff, Yuuko Shiozawa and Miklós Perényi perform Schubert's Trio in E major for piano, violin and cello; at the Union; Aug 22.

● Baritone Oliver Widmer performs works by Schubert, accompanied by András Schiff; at the Union; Aug 20.

● Ensemble Musica Miserata: conducted by Wieland Staufenbiel in a programme of early and Renaissance music; at the Union

# Weekend Investor

Wall Street

## Fear spoils the bulls' 15-year party

Sellers put a crimp in the Dow's heady progress, reports John Authers

**A**merica has spent the week celebrating anniversaries. Down in Memphis, Tennessee, the faithful have gathered to mark the 20th anniversary of Elvis Presley's death. His estate now employs 500.

In Wall Street, traders are celebrating the 15th anniversary of another great money-making machine, the Bull Market, which has transformed New York, many of their businesses, and the financial expectations of a generation of Americans.

There is, however, one significant difference between the two anniversaries. The faithful still refuse to let Elvis rest in peace, but Wall Street "celebrated", most uncharacteristically, by bidding stocks down.

While this does not necessarily signal the demise of 15 years of booming stock prices, it does force market watchers to look at this particular anniversary with a little more rationality than you will see in Memphis.

The Dow Jones Industrial Average reached an all-time high of 8,254.89 in the last week of July. This put it up 28 per cent for the year and 962.5 per cent since the bull market started in 1982, when it stood at only 776.92.

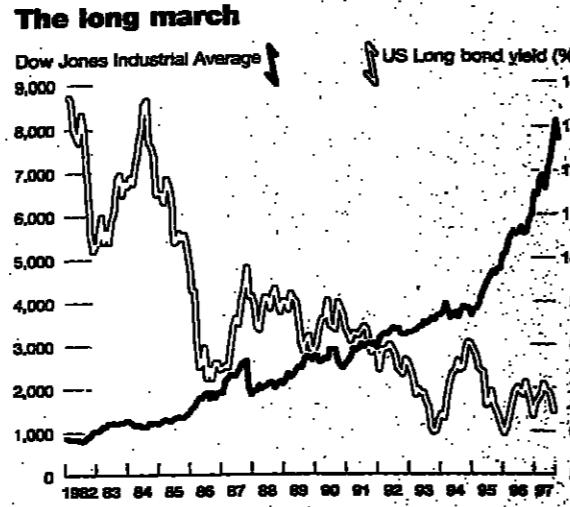
It had dipped as low as 7,928.32 by Wednesday, and was off more than 100 points at one stage yesterday morning, slipping further and further below the 8,000 mark.

High-tech stocks, crucial in sustaining the market's record pace for at least the past couple of years, have also logged a dip from their highs, although they did not change direction until the end of last week.

The Nasdaq composite – the broadest measure of the big technology stocks, including the new powerhouses such as Microsoft, Intel and Cisco Systems – dipped from 1,630.44 to 1,576.24.

The bull market, of course, has put up with several interruptions to its heady progress, most notably on Black Monday in October 1987 when the Dow lost more than 30 per cent in a day (while still staying above the level at which it had started the year).

But the dip of the past two weeks is causing genuine disquiet because there is



nothing, at least from the fundamentals, to explain it.

There have been no nasty shocks from the corporate arena, where the quarterly reporting season is now a winding down with only the big retailers left to come.

The bond market continues to be generally benign, too. The yield on the benchmark 30-year treasury dipped below 6.3 per cent at the end of last month and has since given up some ground, but yields have been falling this week as equities have fallen.

The economic weather also remains set fair. Chairman Alan Greenspan and the Federal Reserve's much feared open market committee have a meeting next week, but nobody expects them to raise interest rates.

Economic data suggests that inflation remains resolutely in check, with the nation still apparently growing without putting upward pressure on prices, although several analysts still believe there will be one more rate rise this year. But this is priced into the market already, and nobody is predicting a serious recession.

Currency pressures could also be an issue, with some traders worried about the falling value of the dollar.

Why, then, are people selling shares? Nerves and jitters are palpable, but the best answer anyone can muster is that they are afraid, as Roosevelt might have put it, of fear itself. As Bruce Steinberg, of Merrill Lynch, noted on Wednesday: "A lot of fear has been entered into the equation."

**Dow Jones Ind Average**

Monday	8,022.11	+30.89
Tuesday	7,980.84	-101.27
Wednesday	7,928.32	-32.53
Thursday	7,942.03	+13.71
Friday		

Source: Datastream/ICV

London

## Sprinter tears a hamstring

Philip Coggan sees Footsie's frantic rush falter

**A**ugust is the silly season for newspapers. Hence, the media's concentration this week on the 20th anniversary of Elvis's death and the surprising relationship (I may be confused here) between Princess Diana and a band member from Dave Dee, Dozy, Beaky, Mick and Titch.

It is not supposed to be an exciting month for the stock market. The senior fund managers and traders head off to the sun, leaving strict instructions to their juniors not to do anything too drastic. By now, though, lots of them must be choking over their pina coladas.

Last week, the FTSE 100 index had a burst of euphoria which saw it sprint 190 points ahead in three sessions. This week, the mood changed just as quickly, with Footsie on Thursday slipping sheepishly below the 5,000 level it had passed so triumphantly the week

before. And, yesterday, a modest setback turned into a rout, with the biggest points fall since 1987.

The volatility of Wall Street – which followed a 156-point decline on August 8 with a 101-point drop on

August 12 and an early 100-point-plus fall yesterday – played its part in the change of mood. Throw in the continuing Asian currency turmoil plus the adverse reaction of European markets to fears of a rise in German interest rates, and the ensuing cocktail proved unpalatable to investors.

The rapid rise in the UK stock market can be seen only as part of a global phenomenon in which low interest rates and inflation are prompting investors in much of the world to move into equities.

Indeed, the UK rally, impressive as it may seem to domestic investors, has been overshadowed by those in other markets – in local currency terms, at

least. By Thursday night, Footsie had gained 86 per cent since the start of 1996, compared with a 50 per cent gain in the Standard & Poor's 500 and a 73 per cent rise in continental European markets.

Some of the factors cited by bearish analysts – interest rate increases, the effect of sterling's rise on exports, the abolition of the dividend tax credit – may be responsible for the UK market's underperformance. From the bull's point of view, of course, Footsie has scope to catch up with the rest of the world.

That belief has provoked Ian Williams, the strategist at Panmure Gordon, to increase his year-end Footsie forecast from 5,000 to 5,250 (and his 1998 forecast from 5,400 to 6,000). Williams started the year with a forecast of 4,500 for December 1997.

For those kind of forecasts to be realised, the UK needs



Elvis impersonator and fan in a week of strange relationships

to avoid the kind of boom-and-bust cycles that have forced market setbacks in the past. The recent run-up in consumer spending needs to stop short of an inflationary boom, and the sluggish growth of manufacturing output needs to stop short of a recessionary bust.

That helps to explain why the FTSE 250 and the Small-Cap indices, left in the shadows for much of the year, have started to outperform. The 250 index gained 48 points on the week, or 1 per cent, while the Small-Cap rose 24 points (1.2 per cent).

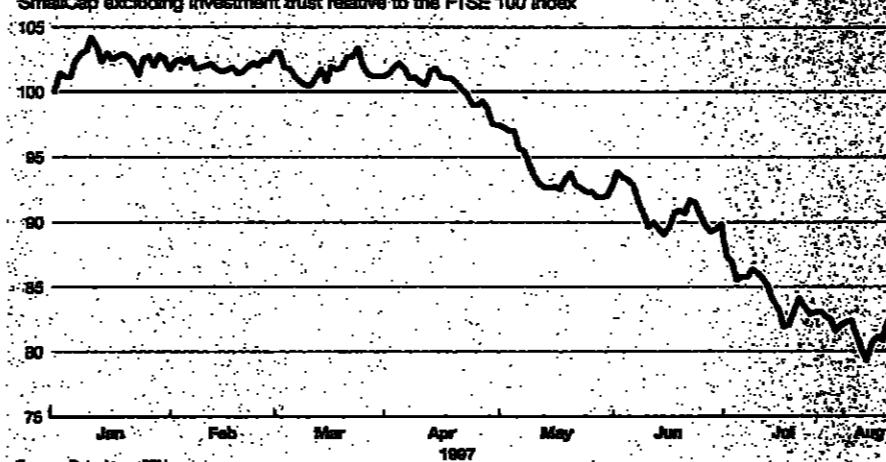
At the same time, some of the market's previous favourites have taken a beating with HSBC, for example, shedding 167p yesterday in response to Hong Kong currency worries and a sell-off in the pharmaceuticals sector.

**R**otation from overvalued to undervalued sectors is one of the classic patterns observed in bull markets. But Mark Brown, head of strategy and economics at ABN-Amro Hoare Govett, warns that it may not happen this time. "Superficially comforting is the fact that the prospective ratings appear to be pricing in a lot of the bad news, judging by the similarity with their levels back in autumn 1990 on the eve of recession," he says.

"Like these, however, prospective earnings estimates were overly sanguine and, as downgrades ensued, the sector endured further underperformance. We expect a similar pattern now."

### A revival for small companies?

SmallCap excluding investment trust relative to the FTSE 100 index



### Highlights of the week

	Price	Change	52 week	52 week	Wall St nerves
FTSE 100 Index	4,985.8	+15.5	5,008.8	4,958.6	Wall St nerves
Allied Domecq	477.4	+23	492	407.4	Recovery
Biocomposites	1,045	+72	1,432.5	390	Johnson & Johnson deal worries
Brit. Biotech	1,851	+28	285	1,424	Cortech results exotic
BTI	216	+24	228	180	Renewed buying interest
ChloroScience	277.4	+28	443.4	225	Cortech results exotic
De La Rue	367	+35.4	673.4	32	BZW downgrades forecasts
GKN	1,285	+38.6	1,288.4	907	Broker recommendations
Hanson	308	+21	334.4	242	Figures disappoint
Independent Insurance	97.3	+1.8	98.5	520	Big rise in interest
Pelco	575.4	+62.6	512.5	276	Favourable press comment
Royal Bank Scotland	602	+27.4	665	494	Acquisition disappointment
Unilever	1,729.2	+137.4	1,923.4	1,265	Schroders downgrade
Utd. News & Media	703.4	+31	705	635.4	Panmure Gordon recommends
Vickers	2,229.5	+21.4	3,009.6	1,891	Bad talk

Tony Jackson

## Cold feet in high places?

Risk could be in danger of becoming a dirty word

**W**hat has happened to the UK acquisition boom?

Back in 1995, it seemed that the high days of the late 1980s were back. The total value of deals was a record \$33bn, up four-fold from the year before. Then, in 1996, the figure fell to \$20bn. So far this year, it is down a further 17 per cent.

Even the 1995 figure was not a record in real terms. In making comparisons with the 1980s, we should allow for the rise in share prices. Deflated by the All-Share index, 1995 was down a fifth from the 1989 peak. The 1996 figure was down a fifth again.

This is slightly perplexing. Some of the factors driving the acquisition cycle are purely financial: the cost of money, relative share prices and so forth. But some involve management fundamentals. On those grounds, acquisitions should be back at the top of the agenda, each year.

The US example is instructive. Over a period from the early 1980s, US companies concentrated on cost-cutting and restructuring. By the mid 1990s, that was producing diminishing returns. The emphasis swung back to growth in revenues.

That involved a snag. In recent years, most companies have come to accept that price rises are a thing of the past. At the same time, competitive pressures make it tough to win new volume. Acquisitions are thus one of the few ways to raise revenues in a hurry.

On top of this come regulatory changes, which have driven US

telecoms and electrical utilities into a frenzy of combination. At the same time, transaction costs are falling steeply as a result of information technology.

In industries such as banking, transaction costs are the main source of revenue. So, like US defence companies faced with cuts in the defence budget, US banks have had to amalgamate to survive.

It is thus not surprising that

'Executives talked of the need to make big investments. But many were too timid to take the plunge'

the US acquisition boom has continued. As in the UK, the total of deals in real terms has not equalled the bubble years of the late 1980s. But, since a low point in 1992, the value of deals has risen faster than the market each year, 1997 included.

Why is the UK different? A senior London-based management consultant complained to me recently about the mood in British boardrooms.

On the one hand, he said, executives talked of the need to make big investments, acquisitions included. But many were too timid to take the plunge.

He attributed this directly to the experience of the past decade. British companies, too, have been concentrating on efficiency and retrenchment.

This, he argued, has bred a generation of managers whose experience has taught them to be risk-averse and conservative.

They know it is time to expand again, but they lack the nerve.

Granted, management consultants are not disinterested here, any more than investment bankers are. But there are other powerful forces dissuading managers from sticking their necks out.

Leave aside the fact that the Labour government's policy on mergers is shrouded in ambiguity. More important,

there is a body of investment opinion which says that acquisitions, from the viewpoint of the acquirer's shareholders, are a bad thing until proved otherwise.

In part, this is not new. The argument that most takeovers fail in their object is now so familiar that even Tony Blair, the prime minister, referred to it in a speech earlier this year.

More recent is the focus by both investors and managers on economic value added, or EVA.

Applied to acquisitions, EVA has the effect of raising the standard of proof. In the old days, most companies could get away with the formulaic promise that earnings per share would not be diluted in year one. Now, the market is more aware of the scope for manipulating the earnings figure, and prefers to do its own sums on the starker question of whether the deal adds or destroys value.

In a wider sense, managers have been browbeaten into the belief that when it comes to valuation, the market knows best. The logical inference is that paying a premium to market value – particularly in a hostile bid – is throwing money away. Hence the recent prevalence of agreed takeovers and the curious insistence on calling them mergers, even when they are patently nothing of the sort.

If British managers really have become risk-averse, the results could be damaging in other ways. The specialist publication *Acquisitions* monthly lists 145 acquisitions by UK companies in the US in 1996, broken down by industry sector.

By far the most popular single area is engineering, followed by chemicals. The whole high-growth, high-risk field of communications, information technology and media – in which the US has a decisive lead over the rest of the world – is scarcely represented.

Thus, there were four purchases in computer hardware, three in software and four in media. In telecoms, there was just one, BT's much-vaunted acquisition of MCI.

Harold Green, who built up ITT through acquisition a generation ago, remarks in a recent book that, to succeed in business, you must embrace risk. The trick is to distinguish between smart risks and dumb ones. It would be a pity if, in avoiding the latter, British managers missed the former as well.

Offshore managed funds and UK managed funds are listed in Section One

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## True Fiction

## Three cheers for the pessimist

Michael Thompson-Noel experiences a rare spurt of optimism. He doesn't expect it to last

**P**RACTICALLY everywhere, pessimists are treated shabbily. We are accused of being defeatist and fatalistic, even sterile and nihilistic. Party-poopers. A social and political menace.

Optimists, on the other hand, are the guys in white hats: cheerfully constructive - convinced that humans are not killer apes at all but splendidly creative who, once they have conquered their nastiest inherited habits (patriarchy, warfare, genocide), will rule their suburb of the Milky Way with wisdom and benignity.

You can see why I'm a pessimist. I simply don't buy into this notion of splendidly humans taking their place in the galaxy alongside civilised alien cultures any time soon. Not, I reckon, for at least 40,000 years, always supposing we survive until 41,997, which strikes me as unlikely.

Optimists are cock-eyed. Pessimists are realists. In order to haul ourselves back from the brink of extinction, we must first acknowledge how awful we are, and resolve to change our ways.

Only pessimists can help us do this.

Not that I am always pessimistic. I have little spurts of optimism - usually when I win £750 off the bookmakers or when someone who was rude to me 15 years ago is washed out to sea and eaten by carnivorous squid.

I enjoyed a little spurt of optimism the other evening. I was at home, listening to David Bowie, wearing my T-shirt from Mar del Plata, drinking raspberry juice and reading a short story by the American writer T. Coraghessan Boyle, called *Hopes Rise*.

It is a story about frogs and toads. The narrator and his girlfriend attend a batrachology conference in New York that is discussing the global demise of frogs, toads and other vertebrate

amphibians. The mood of the conference is sombre. It becomes even more sombre when a wild-looking character in bland dreadlocks and tinted glasses takes the microphone and lashes the attendees with terrible tales of the worldwide threat to toads and frogs.

"Cameroun," says this character. "Ecuador, Borneo, and the Alps: everywhere you look the frogs and toads are disappearing... What have we done? Ladies and gentlemen, it's the frogs today and [people] tomorrow... before we know it, the malls will stand empty, the freeways deserted, the creeks and ponds and marshes forever silent... We're doomed, can't you see that?"

However, a week later the nar-

rator and his girlfriend decide to look for toads themselves, to see whether all this batrachological pessimism is justified. They park beside a highway; enter a wood; are drawn by a fluid, multi-voiced trill towards a small pond with a dead, black surface under a buttery sun.

"And then," says the narrator, "we saw that there was no surface to that pond, that it was a field of flesh, a grand and vast congress of toads... toads uncountable, humping in a frenzy... their eggs were everywhere, beaded and wet with the mucus of life..."

Since reading that short story, my little spurt of optimism has been reinforced by cheery snippets in the newspapers: charming tales from far and

wide. Here are three examples: *Cairo*: A secret archaeological team dubbed the Raiders of the Lost Archive has penetrated an underground chamber known as the Hall of Records - made of granite and sheathed in gold - north of the Great Pyramid of Cheops. The site contains documents from the earliest days of mankind and is said to herald a new dawn for civilisation.

Section F - for forecasts - in the Hall of Records has already yielded upbeat data for the five-year period ending on New Year's eve, AD 1999. By then, the Dow Jones Industrial Average is forecast to stand at 21,500, and the FTSE 100 Index at 12,800. As a result, one in 13 people living in the EU and US will be millionaires. "After that," says an

archaeologist ruminatively, "the forecasts turn distinctly bleak, but - hey - who cares?"

*London*: Prince Charles, heir to the British throne, and his companion, Camilla Parker Bowles, are planning their first holiday together, on a millionaire's yacht. Constitutional experts say this is part of a plan to prepare the nation for the couple's eventual marriage, so that King Charles III and Queen Camilla may start their reign.

I myself have been involved in this story. My name is often a source of confusion. Sometimes I get mail addressed to Michael Thomson Knowles, or Marcus Thomas Poles - even, once, Michel Carracedo Voles. Now Buckingham Palace has mis-

taken me for one of Camilla's

relatives. I have received a letter addressed to Michelangelo Parquet Nowles, inviting me to join the royal cruise in Tonga. No wonder I am humming.

*Saint-Martin-d'Oydes*: Tony Blair, Britain's dynamic, hip and ebulliently youthful prime minister, is expected to spend a week's holiday in this picturesque French village, 30 miles south of Toulouse, starting tomorrow.

"It is wonderful news for our village," said a spokesman for the mayor's office. "Mr Blair is regarded as a saint in France. Already, the roads leading to Saint-Martin-d'Oydes are overflowing with jammed with life's casualties the halt, the lame and the chronically over-borrowed, hoping for a blessing, a sign, a miracle, as Mr Blair sweeps past. One day, so hip is Mr Blair, he will be president of a Federal Europe from Bantry Bay to Kamchatka."

I can only take so much cheeriness. By Monday, I expect, I will be a po-faced pessimist once more, convinced that the human race is as doomed as the toads and the frogs.

## Metropolis

## Fighting the profanities of mass tourism

Christian Tyler considers the pressures facing sacred sites as they try to balance temporal and spiritual demands

**T**HE Westminster coach terminal is the finest in Europe. It is high, bright and cool, perfectly situated at the heart of tourist London, and packed with distractions to the waiting hour.

During the sweaty English summer it is a refuge for 15,000 holiday-makers a day. An estimated 2.5m people pass through each year. Peak time is between nine and 11 in the morning, when coach parties are mobilised for the onward push to Buckingham Palace. There is another crush hour in mid-afternoon when the Eurostar trains disgorge their passengers from the Continent.

At such times the place shows its limitations. The seating is inadequate and the coffee bar in the quaintly vaulted courtyard becomes very crowded. Although the building has been remodelled and expanded over the years, it is clear the architects grossly underestimated passenger flows. In their defence, it must be admitted they were constrained by the very narrow ground-plan of the earlier building on the site, which opened for business a few days before the death of King Edward in 1065.

Westminster Abbey is not the only sacred building to be suffering the profanities of mass tourism. All over Europe, the great churches and cathedrals are bulging with crowds so dense they are destroying the very thing they came to see. If visitors are religious, they are denied the silence for prayer or reflection; if merely curious, they are denied the atmosphere of age and mystery which church architecture and monuments usually invoke.

In St Vitus's Cathedral, which crowns the palace hill in Prague, they would have been dancing in the aisles if they had not been packed in so tightly. Tour groups milled about the huge nave like stricken sheep, cameras flashing and video-recorders whirring, while their guides kept up a frantic barking in an effort to maintain order. If there were monuments to be seen, they were

invisible. All sensation was drowned by the constant roar which resounded from the vault.

Elsewhere this summer, the stained glass splendour of Chartres was shattered by the arrival of two Dutch tour buses, whose rowdy inmates appeared not to have read the notices asking for silence.

The imposing medieval gloom of Notre-Dame in Paris was dispelled like so much fog by the jaunty mood and skinny dress of its summer visitors. Most of the pews had been removed from the nave to make room for them. Middle-aged Germans clustered round tour leaders, who shouted

forced every hour by an announcement which invites them to "spend a moment in silence", and is followed by a recitation of the Lord's Prayer.

On this occasion, the voice belonged to a nun called Sister Hilary, who was later found patrolling the cathedral answering people's questions and ready to listen to their troubles.

For, she explained, among the thousands who visit the cathedral as sightseers, there are always a few who come in need of something else.

Some arrive directly from the airport, perhaps to give thanks. Others drop in from a passing bus. But a few are there for more desperate reasons. Sister Hilary recalled the day a verger found a woman weeping behind a pillar. She was a City career girl who had just discovered she was pregnant and, until she found someone to confide in, could think of no way out but abortion.

Then there was the young girl who sent a bundle of papers and possessions home to America just before Christmas. Among them was a map of the crypt on which she had copied down the lines of William Blake which are inscribed on the poet's tomb:

To see a World in a Grain of Sand,  
And a Heaven in a Wild Flower,  
Hold Infinity in the palm of your hand,  
And Eternity in an hour.

The girl never saw her family again. She was blown to eternity on the Pan Am airliner brought down by a terrorist bomb over Lockerbie in 1988.

There is no way of estimating how many others may have grasped a slice of infinity from a routine visit to a church or cathedral, nor how many may have been turned away by the administration.

In paying churches such as St Paul's, people who want to pray are directed to a side chapel away from the tourist熙熙. In free churches, an area is usually set aside for worshippers. But separating pavers from prayers is not always easy. Westminster Abbey

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